# CITY OF CARDIFF COUNCIL
# CYNGOR DINAS CAERDYDD

CARDIFF
CAERDYDD

## CABINET: THURSDAY, 14 JULY 2016 at 3.30 PM

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A Cabinet Meeting will be held in the City Hall on at 3.30 pm

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## A G E N D A

**Apologies & Declarations of Interest**

1 Minutes of the Cabinet meeting held on 16 June 2016 *(Pages 1 - 12)*

**Leader**

2 Cardiff Capital Region City Deal Update *(Pages 13 - 18)*

3 EU Referendum Implications for Cardiff *(Pages 19 - 62)*

**Corporate Services & Performance**

4 Corporate Asset Management Plan *(Pages 63 - 102)*

5 Budget Strategy 2017/18 and the Medium Term *(Pages 103 - 150)*

**Education**

6 School Organisation Planning: Specialist provision for primary aged pupils with Speech and Language Difficulties and with Behavioural Emotional and Social Difficulties *(Pages 151 - 310)*

**Transport, Planning & Sustainability**

7 Cardiff Statue and Monument Protocol *(Pages 311 - 324)*

**PAUL ORDERS**
Chief Executive

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**CYNGOR DINAS CAERDYDD**

COFNODION

CYFARFOD Y CABINET: 16 MEHEFIN 2016

| | |
|---|---|
| Aelodau Cabinet yn Bresennol: | Y Cynghorydd Phil Bale (Cadeirydd)<br>Y Cynghorydd Sue Lent<br>Y Cynghorydd Peter Bradbury<br>Y Cynghorydd Dan De'Ath<br>Y Cynghorydd Bob Derbyshire<br>Y Cynghorydd Graham Hinchey<br>Y Cynghorydd Susan Elsmore<br>Y Cynghorydd Sarah Merry<br>Y Cynghorydd Ramesh Patel |
| Gwylwyr: | Y Cynghorydd David Walker<br>Y Cynghorydd Judith Woodman |
| Swyddogion: | Paul Orders, Prif Weithredwr<br>Christine Salter, Swyddog Adran 151<br>David Marr, Swyddog Monitro<br>Claire Deguara, Swyddfa'r Cabinet |

## 1. COFNODION Y CYFARFOD CABINET A GYNHALIWYD AR 19 MAI 2016

**PENDERFYNWYD:** bod cofnodion y cyfarfod a gynhaliwyd ar 19 Mai yn cael eu cymeradwyo.

## 2. DERBYN ADRODDIAD Y GRŴP GORCHWYL A GORFFEN CRAFFU AR Y CYD O'R ENW "ARDOLL SEILWAITH CYMUNEDOL"

Derbyniodd y Cabinet adroddiad Y Grŵp Gorchwyl a Gorffen Craffu Ar y Cyd o'r enw "Ardoll Seilwaith Cymunedol". Roedd 13 argymhelliad yn yr adroddiad.

**PENDERFYNWYD:** bod yr adroddiad yn cael ei dderbyn a'i fod yn cael ei nodi bod yr ymateb o fewn adroddiad Ardoll Seilwaith Cymunedol Caerdydd.

## 3. SAFONAU'R GYMRAEG: ADRODDIAD MONITRO BLYNYDDOL 2015-2016

Rhoddodd y Cabinet ystyriaeth i Adroddiad Blynyddol 2015-16 ar Safonau'r Gymraeg. Mae'r adroddiad yn rhoi'r sail ffurfiol i alluogi'r Cyngor i fonitro sut mae'n cydymffurfio â'r Safonau.

Daeth Safonau'r Gymraeg i rym ar 30 Mawrth 2016. Mae'r adroddiad yn canolbwyntio ar ba gamau mae'r Cyngor wedi eu cymryd i baratoi i gydymffurfio gyda'r Safonau newydd, ynghyd â rhoi gwybodaeth fel sy'n ofynnol gan y Safonau.

**PENDERFYNWYD:** bod yr Adroddiad Blynyddol ar Safonau'r Gymraeg (fel sydd wedi'i atodi fel Atodlen 2 yn yr adroddiad) yn cael ei gymeradwyo i'w ystyried gan y Cyngor cyn cael ei gyhoeddi yn unol â Safonau'r Gymraeg (Mesur y Gymraeg (Cymru) 2011).

## 4. Y DIWEDDARAF AR Y RHAGLEN DATBLYGU SEFYDLIADOL

Derbyniodd y Cabinet adroddiad yn amlinellu cynnydd Rhaglen Datblygu Sefydliadol (RhDS) y Cyngor. Mae'r adroddiad yn amlinellu'r camau nesaf ar gyfer projectau a mentrau allweddol, sy'n hanfodol er mwyn gwneud y Cyngor yn fwy gwydn yn ariannol, ac er mwyn gwella sut mae'n darparu gwasanaethau yn y tymor canolig.

Mae'r adroddiad yn manylu ar sut fydd y RhDS yn cael ei ddiweddaru i sicrhau bod y cynigion ar sut i wella yn adroddiad Swyddfa Archwilio Cymru yn cael eu gweithredu, a bod newidiadau sefydliadol o fewn y Cyngor yn cael eu gweithredu'n gyson ac yn brydlon.

**PENDERFYNWYD:**

1) bod cynnwys yr adroddiad yn cael ei nodi.

2) bod y llwybr i'r dyfodol ar gyfer y Rhaglen Datblygu Sefydliadol fel sy'n cael ei amlinellu yn yr adroddiad yn cael ei gytuno arno;

3) bod y Prif Weithredwr yn cael ei awdurdodi, mewn ymgynghoriad â'r Arweinydd a'r Aelod Cabinet dros Wasanaethau Corfforaethol a Pherfformiad, i fwrw ymlaen â gweithredu'r Rhaglen Datblygu Sefydliadol;

4) y dylai'r Rhaglen Datblygu Sefydliadol fod yn destun adolygiad annibynnol ar adeg sy'n briodol yn 2017; ac

5) y dylai adroddiad sy'n dadansoddi sut mae tirwedd y sector cyhoeddus yn newid, a safle'r Cyngor oddi fewn iddo, gael ei ddwyn gerbron cyfarfod dyfodol y Cabinet.

## 5. CWMNI MASNACHU'R AWDURDOD LLEOL – COMISIYNU A CHAFFAEL

***Ni fydd Atodiad 1A yr adroddiad hwn yn cael ei gyhoeddi yn rhinwedd Paragraff 14 Rhan 4 a pharagraff 21 Rhan 5 Atodlen 12A Deddf Llywodraeth Leol 1972***

Ystyriodd y Cabinet gynigion i sefydlu Cwmni Masnachu'r Awdurdod Lleol i gynnig gwasanaethau caffael a masnachol i sefydliadau yn y sector cyhoeddus a phreifat.

Mae'r Achos Busnes sydd wedi'i atodi i'r adroddiad yn manylu ar yr asesiad a wnaed o restr fer o dri dewis o fodel cyflenwi, dadansoddiad cost a budd, canlyniadau a manteision i'r Cyngor a gynlluniwyd ac asesiad risg, ac mae'n amlinellu'r strwythur cyfreithiol a'r trefniadau llywodraethu.

**PENDERFYNWYD:**

1. bod yr Achos Busnes ar Gwmni Masnachu'r Awdurdod Lleol – Comisiynu a Chaffael, sydd wedi'i atodi i'r adroddiad yn cael ei gymeradwyo, a bod cytundeb ar sefydlu Cwmni Masnachu'r Awdurdod Lleol fel sy'n cael ei ddisgrifio'n gyffredinol yn yr adroddiad, i gynnig gwasanaethau caffael a masnachol i'r sector cyhoeddus a phreifat.

2. bod cytundeb ar benodi Cyfarwyddwr Corfforaethol (Adnoddau) yn gynrychiolydd Cyfranddalwyr ar ran y Cyngor

3. y dylid ei nodi a'i argymell i'r Cyngor ei gymeradwyo, benodiad swyddogion yn Gyfarwyddwyr y Bwrdd fel sy'n cael ei nodi ym mharagraff 31 yr adroddiad.

4. y dylid dirprwyo Awdurdod i'r Cyfarwyddwr Corfforaethol (Adnoddau) mewn ymgynghoriad â Swyddog Monitro'r Cyngor i:

   - Gytuno ar y dogfennau cyfansoddiadol a llywodraethu sydd eu hangen i sefydlu Cwmni Masnachu'r Awdurdod Lleol
   - Cytuno ar yr holl ddogfennau eraill sydd eu hangen ynglŷn â gweithgareddau Cwmni Masnachu'r Awdurdod Lleol, a'i berthynas â'r Cyngor.

## 6. ADRODDIAD PERFFORMIAD CHWARTER 4 2015-16

Derbyniodd y Cyngor adroddiad perfformiad Chwarter 4 (mis Ionawr i fis Mawrth) blwyddyn ariannol 2015/16. Nodwyd ymhob cyfarwyddiaeth fod 70% o Ymrwymiadau'r Cynllun Corfforaethol yn Wyrdd a bod 48% o'r Dangosyddion Perfformiad yn Wyrdd.

Dosbarthwyd taflen o welliannau a oedd yn dangos bod paragraff 8 yr adroddiad wedi'i newid i'r canlynol -

> *Mae 48% o Ddangosyddion Perfformiad yn Wyrdd, 15% yn Oren a 18% yn Goch, gyda **10% o'r canlyniadau ddim ar gael eto.** Roedd alldro terfynol Dangosyddion Perfformiad yn 2014-15 yn dangos bod 47.2% yn Wyrdd, 18.8% yn Oren a 14.8% yn Goch. Bydd cymhariaeth lawn yn cael ei wneud unwaith mae holl ganlyniadau 2015-16 ar gael.*

Mae tudalen gyntaf atodlen A hefyd wedi'i diweddaru i ddangos y ffigwr o 10%.

**PENDERFYNWYD:** y dylid nodi'r sefyllfa bresennol o ran perfformiad, sut mae cyflawni ymrwymiadau a blaenoriaethau fel yn Chwarter 4, a'r camau sy'n cael eu cymryd i fynd i'r afael â materion sy'n achos pryder.

## 7. ALLDRO 2015/16

Derbyniodd y Cabinet fanylion alldro'r flwyddyn ariannol hyd at 31 Mawrth 2016 o'i gymharu â chyllideb y flwyddyn o ran refeniw a gwariant cyfalaf.

Cynghorwyd y Cabinet fod sefyllfa'r alldro refeniw yn dangos gweddill o £1.696 miliwn ar ôl ystyried cyfraniadau i ac o gronfeydd wrth gefn. Derbyniwyd hefyd grynodeb o Ddatganiad Rheoli'r Trysorlys am fuddsoddiadau a benthyca.

**PENDERFYNWYD:**

1. y dylid cymeradwyo'r adroddiad a'r camau a wnaed mewn perthynas â chyfrifon y Cyngor am 2015/16.

2. y dylid nodi y bydd yr adroddiad yn ffurfio Atodlen i adroddiad Datganiadau Ariannol y Cyngor a fydd yn cael ei ystyried yn ei gyfarfod ym mis Medi 2016.

## 8. STRATEGAETH IECHYD A LLES GWEITHWYR

Derbyniodd y Cyngor y Strategaeth Iechyd a Lles Gweithwyr. Mae'r Cyngor yn cydnabod bod ei gyflogeion yn allweddol yn y gwaith o gyflawni ei weledigaeth ar gyfer Caerdydd. Pan fo cyflogeion yn iach, wedi'u cymell ac â theimlad o les, mae profiadau ein trigolion yn gwella. Mae'r strategaeth yn cynnig fframwaith i helpu i wella iechyd a lles ein cyflogeion.

**PENDERFYNWYD:**

1. y dylid cymeradwyo'r Strategaeth Iechyd a Lles Gweithwyr sydd wedi'i hatodi fel Atodlen 1 yn yr adroddiad.

2. y dylid nodi cynnwys y llythyr gan Gadeirydd y Pwyllgor Craffu ar Adolygu Polisi a Pherfformiad ar ôl y cyfarfod ar 7 Mehefin 2016, sydd wedi'i atodi fel Atodlen 2 yn yr adroddiad.

## 9 TREFNIADAU AIL-GAFFAEL / DROS DRO CONTRACT GWEITHWYR ASIANTAETH

Ystyriodd y Cabinet adroddiad ynglŷn ag ail-gaffael contract gweithwyr asiantaeth y Cyngor trwy gystadleuaeth fach trwy Fframwaith Gweithiwr Asiantaeth Cymru Gyfan y Gwasanaethau Caffael Cenedlaethol. Gwerth y contract fydd £28miliwn. Heb weithredu cytundeb o'r fath ni allai'r Cyngor reoli'r ffordd y mae'n defnyddio Gweithwyr Asiantaeth yn effeithiol, sy'n golygu y byddai'r Cyngor yn gwario mwy.

**PENDERFYNWYD:**

1. y dylid cymeradwyo'r broses o gaffael gwasanaethau gweithwyr asiantaeth dan Gytundeb Fframwaith Asiantaeth Cymru Gyfan (GPC) ar gyfer Gwasanaeth a Reolir er mwyn Darparu Gweithwyr Asiantaeth.

2. y dylid dirprwyo awdurdod i'r Cyfarwyddwr Corfforaethol Adnoddau mewn ymgynghoriad â'r Aelod Cabinet sy'n gyfrifol am Wasanaethau Corfforaethol a Pherfformiad i: wneud tendr bach dan y Cytundeb Fframwaith i ddethol Darparwr trwy ddefnyddio pwysiadau a meini prawf is-werthuso fframwaith perthnasol.

    - ymdrin â'r holl faterion atodol sy'n ymwneud â'r gystadleuaeth fach.

    - creu Cytundeb Defnyddiwr gyda'r Darparwr a ddewisir (y darparwr sydd o'r budd mwyaf yn economaidd) a gwneud archebion dan y Cytundeb Defnyddiwr.

- cymeradwyo estyn y cytundeb Defnyddiwr tan 7 Medi 2019 os bydd y Cyngor am barhau gyda'r gwasanaethau ar ôl mis Medi 2018.

2. y dylid cymeradwyo gwobr uniongyrchol dros dro bellach i'r darparwr asiantaeth a ddewisir trwy fframwaith Gweithiwr Asiantaeth Cymru Gyfan y fframwaith Caffael Cenedlaethol am 5 mis (1/7/16-30/11/16) i alluogi tendr y gystadleuaeth fach gyrraedd contract gwerth £4.2miliwn.

## 10 GWASANAETHAU SEILWAITH – MODELAU DARPARU AMGEN: Y CAMAU NESAF

Ystyriodd y Cabinet adroddiad yn amlinellu canlyniadau dadansoddiad yr Achos Busnes Llawn ar y Cwmni dan Berchenogaeth Lwyr a Modelau Cyflenwi Amgen Mewnol wedi'u Haddasu ar gyfer gwasanaethau seilwaith, yn unol â'r Achos Busnes Amlinellol wedi'i gymeradwyo gan y Cabinet ar 16 Gorffennaf 2016.

**PENDERFYNWYD:**

1. bod cynnwys a chasgliadau'r adroddiad, gan gynnwys yr Achos Busnes Llawn wedi'i nodi yn Atodlen A yr adroddiad, yn cael eu nodi;

2. y dylid awdurdodi'r Prif Weithredwr, mewn ymgynghoriad â'r Aelodau Cabinet sy'n gyfrifol am Amgylchedd a Gwasanaethau Corfforaethol a Pherfformiad i:

   a. sefydlu trefniadau llywodraethu a chefnogaeth briodol i weithredu'r strategaethau gwella gwasanaeth a nodir yn yr Achos Busnes Llawn, gan gynnwys sefydlu'r Bwrdd Gwella Masnacheiddio a Charlam i oruchwylio'r broses newid a gwella;

   b. ail-alinio'r gwasanaethau a chyllidebau perthnasol i'r model cyflenwi arfaethedig sydd wedi'i nodi ym mharagraffau 45 i 49 yn yr adroddiad hwn; a

   c. dyrannu adnoddau staff yn fframwaith cyllidol 2016/17, gan gynnwys costau buddsoddi, i gefnogi'r rhaglenni newid sydd wedi'u nodi yn yr adroddiad hwn.

3. y dylid cymeradwyo'r Agenda Gwella Gwasanaeth (Gwasanaethau Seilwaith) - Memorandwm Cyd-ddealltwriaeth rhwng y Cyngor a'r Undebau Masnach, fel sydd wedi'i nodi yn Atodlen D yn yr adroddiad.

## 11 GOLEUADAU STRYD LED AR GYFER Y RHWYDWAITH FFYRDD STRATEGOL

Derbyniodd y Cabinet adroddiad ynglŷn â'r bwriad i drawsnewid 13,608 o oleuadau stryd wedi'u lleoli ar lwybrau prifffordd strategol yn oleuadau stryd LED. Dyma gam pwysig yn y gwaith o gyflawni dyhead y Cyngor i ddod y ddinas orau i fyw ynddi yn Ewrop.

Mae'r adroddiad yn amlinellu effeithiau cadarnhaol y gwaith hwn gan gynnwys llai o allyriadau CO2, arbedion yn y gyllideb a'r gallu i reoli ein rhwydwaith goleuadau o bell ac yn fwy effeithlon.

**PENDERFYNWYD:**

1. y dylid cymeradwyo'r broses gaffael i gynnig contract (Gwaith) er mwyn darparu goleuadau stryd LED fel sydd wedi'i nodi yng nghorff yr adroddiad;

2. y dylid cymeradwyo cyflwyno dogfennau tendro (gan gynnwys y gwerthusiad hollgyffrediol, yr is-feini prawf a'r GiD);

3. y dylid cymeradwyo cyflwyno hysbysiad Cyfnodolyn Swyddogol yr Undeb Ewropeaidd i ddechrau'r broses gaffael yn ffurfiol; ac

4. y dylid dirprwyo awdurdod i Gyfarwyddwr Gweithrediadau'r Ddinas, yn amodol ar ymgynghoriad â'r Aelod Cabinet dros Wasanaethau Corfforaethol a Pherfformiad a'r Aelod Cabinet dros Drafnidiaeth, Cynllunio a Chynaliadwyedd i ymdrin â'r holl agweddau ar y broses gaffael a materion atodol hyd at a chan gynnwys dyfarnu'r contract. Os na fydd cost gyffredinol y contract yn mynd dros £5.5miliwn, caiff materion eu cyfeirio yn ôl at y Cabinet i'w hystyried.

**12 ARDOLL SEILWAITH CYMUNEDOL CAERDYDD**

Ystyriodd y Cabinet adroddiad yn amlinellu'r bwriad i ymgynghori ar gyflwyno Amserlen Codi Tâl Drafft Ardoll Seilwaith Cymunedol (ASC). Mae ASC yn galluogi Awdurdodau Lleol yng Nghymru a Lloegr i godi arian gan ddatblygwyr sy'n ymgymryd â phrojectau adeiladu newydd yn eu hardal.

**PENDERFYNWYD:**

1. bod cynnwys yr adroddiad yn cael ei nodi;

2. yr ymateb i Adroddiad Grŵp Gorchwyl a Gorffen y Pwyllgor Craffu ar y Cyd; y dylid cytuno ar Ardoll Seilwaith Cymunedol (Mai 2016), fel sydd wedi'i nodi yn Atodlen 4 yn yr adroddiad hwn;

3. y dylid cytuno ar Amserlen Codi Tâl Drafft arfaethedig ASC at ddibenion ymgynghori â'r cyhoedd; ac

4. y bydd yr Amserlen Codi Tâl Drafft, ar ôl ymgynghori â'r cyhoedd, yn cael ei hadrodd yn ôl i'r Cabinet i'w chymeradwyo er mwyn ei chyflwyno ar gyfer Archwiliad Cyhoeddus Cyfnod 3.

Ar ddiwedd y cyfarfod, arweiniodd yr Arweinydd funud o dawelwch i fyfyrio am farwolaeth drasig Jo Cox AS

**CITY OF CARDIFF COUNCIL**
CYNGOR DINAS CAERDYDD

MINUTES

CABINET MEETING: 16 JUNE 2016

| | |
|---|---|
| Cabinet Members Present: | Councillor Phil Bale (Chair)<br>Councillor Sue Lent<br>Councillor Peter Bradbury<br>Councillor Dan De'Ath<br>Councillor Bob Derbyshire<br>Councillor Graham Hinchey<br>Councillor Susan Elsmore<br>Councillor Sarah Merry<br>Councillor Ramesh Patel |
| Observers: | Councillor David Walker<br>Councillor Judith Woodman |
| Officers: | Paul Orders, Chief Executive<br>Christine Salter, Section 151 Officer<br>David Marr, Monitoring Officer<br>Claire Deguara, Cabinet Office |

## 130 MINUTES OF THE CABINET MEETING HELD ON 19 MAY 2016

**RESOLVED:** that the minutes of the meeting held on 19 May be approved.

## 131 TO RECEIVE THE REPORT OF THE JOINT SCRUTINY TASK AND FINISH GROUP ENTITLED "COMMUNITY INFRASTRUCTURE LEVY"

Cabinet received a report of the Joint Scrutiny Task and Finish Group entitled "Community Infrastructure Levy". The report contained 13 recommendations.

**RESOVED**: that the report be received and it be noted that the response is contained within the Cardiff Community Infrastructure Levy report.

## 132 WELSH LANGUAGE STANDARDS: ANNUAL MONITORING REPORT 2015-16

The Cabinet considered the annual Welsh Language Standards Annual report 2015-16. The report provided the formal basis on which compliance with the Standards was monitored.

The Welsh Language Standards came into force on 30 March 2016, the report focussed on the actions the Council has taken to prepare to comply with the new standards, along with providing information required under the Standards.

**RESOLVED:** that the Welsh Language Standards Annual Report (as attached as Appendix 2 to the report) be approved for consideration at Council prior to publication in accordance with the Welsh Language Standards (Welsh Language (Wales) Measure 2011).

## 133 AN UPDATE ON THE ORGANISATIONAL DEVELOPMENT PROGRAMME

Cabinet received a report outlining the progress of the Council's Organisational Development Programme (ODP). The report mapped the next steps for key projects and initiatives, essential to improving the Council's financial resilience and service delivery performance in the medium term.

The report detailed a future refresh of the ODP to ensure that proposals for improvement contained in the Wales Audit Office report are addressed and that organisational changes across the Council is delivered consistently and with increasing pace of delivery.

**RESOLVED**: that

1) The content of the report be noted.

2) the future direction of the Organisational Development Programme as set out in this report be agreed;

3) the Chief Executive be authorised, in consultation with the Leader and Cabinet Member for Corporate Services & Performance, to progress the delivery of the Organisational Development Programme;

4) The Organisational Development Programme should undergo an independent review at an appropriate point in 2017; and

5) A report that analyses the changing public sector landscape and the Council's position within it be brought to a future Cabinet meeting.

## 134 COMMISSIONING AND PROCUREMENT LOCAL AUTHORITY TRADING COMPANY

***Appendix 1A to this report is exempt from publication by virtue of paragraph 14 of Part 4 and paragraph 21 of Part 5 of Schedule 12A of the Local Government Act 1972***

Cabinet considered proposals to establish a Local Authority Trading Company to deliver procurement and commercial services to public and private sector organisations.

The Business Case appended to the report detailed the assessment undertaken of three shortlisted delivery model options, cost benefit analysis, the planned outcomes and benefits to the Council, a risk assessment and details the legal structure and governance arrangements.

**RESOLVED**: that

1. the Commissioning and Procurement Local Authority Trading Company Business Case attached to the report be approved and agreed that a Local Authority Trading Company be agreed as generally described in the report to deliver procurement and commercial services to the public and private sectors

2. the appointment of the Corporate Director (Resources) as the Council's Shareholder representative be agreed.

3. It be noted and recommend to Council for approval the appointment of officers as Directors to the Board as set out in paragraph 31 of the report.

4. Authority be delegated to the Corporate Director (Resources) in consultation with the Council's Monitoring Officer to:

   - Agree the constitutional and governance documents required to set up the Local Authority Trading Company
   - Agree all other documents required relating to the operations of the Local Authority Trading Company and its relations with the Council

**135 2015-16 QUARTER 4 PERFORMANCE REPORT**

Cabinet received the Council's performance report for Quarter 4 (January to March) of the 2015/16 financial year. It was noted that across all directorates 70% of Corporate Plan Commitments were Green and 48% of Performance Indicators were Green.

An amendment sheet was circulated which outlined that paragraph 8 of the report was amended to the following –

> *48% of Performance Indicators are Green, 15% are Amber and 18% are Red, with **10% with results not yet available**. The final outturn for Performance Indicators in 2014-15 was 47.2% Green, 18.8% Amber and 14.8% Red, and a full comparison will be made once all 2015-16 results are available.*

The first page of appendix A was also been updated to reflect the figure of 10%.

**RESOLVED**: that the current position regarding performance, the delivery of key commitments and priorities as at Quarter 4, and the action being taken to address areas of concern be noted.

**136 OUTTURN 2015/16**

The Cabinet received details of the outturn for the financial year ending 31 March 2016 compared with the budget for the year for both revenue and capital expenditure.

Cabinet were advised that the revenue outturn position shows a surplus of £1.696 million pounds after contributions to and from reserves. A summary of the Treasury Management Statement in respect of investments and borrowing was also received.

**RESOLVED:** that

1. the report and the actions taken in respect of the Council's accounts for 2015/16 be approved.

2. It be noted that the report will form an Appendix to the Financial Statements report to be considered at the Council meeting in September 2016

## 137 EMPLOYEE HEALTH & WELLBEING STRATEGY

Cabinet received the Employee Health & Wellbeing Strategy. The Council recognises that employees are the key to delivering the vision for Cardiff. When employees are healthy, motivated and have a sense of wellbeing, then the experiences of our residents' improves. The strategy provides a framework to help improve the health and wellbeing of our employees.

**RESOLVED**: that

1. the Employee Health & Wellbeing Strategy which is attached as Appendix 1 to the report be approved.

2. the contents of the letter from the Chair of the Policy Review and Performance Scrutiny Committee following the meeting held on 7 June 2016, which is attached as Appendix 2 to the report be noted.

## 138 AGENCY WORKER CONTRACT RE-PROCUREMENT / INTERIM ARRANGEMENTS

The Cabinet considered a report regarding re-procurement of the Council's agency worker contract via a mini-competition through the National Procurement Services All Wales Agency Worker Framework. The value of the contract will be £28million. Without such agreement in place the Council would be unable to effectively manage the use of Agency Workers, resulting in increased Council expenditure.

**RESOLVED**: that

1. the procurement of agency worker services under the National Procurement Service (NPS) All Wales Agency Framework Agreement for the Managed Service for Provision of Agency Workers be approved.

2. Authority be delegated to the Corporate Director of Resources in consultation with the Cabinet Member with responsibility for Corporate Services and Performance to: carry out a mini-tender under the Framework Agreement to select a Provider using the relevant framework sub evaluation criteria and weightings.

    - deal with all ancillary matters pertaining to the mini competition.

    - award a User Agreement with the Provider selected (most economically advantageous provider) and place orders under the User Agreement.

    - approve extending the User agreement until 7 September 2019 should the

Council wish to continue with the services after September 2018.

2. a further interim direct award to the incumbent agency provider via the National Procurement framework (NPS) All Wales Agency Worker framework for a 5-month period (1/7/16-30/11/16) to allow the mini competition tender to be run up to contract award to a value of £4.2million be approved.

## 139 INFRASTRUCTURE SERVICES - ALTERNATIVE DELIVERY MODELS: NEXT STEPS

Cabinet considered a report outlining the outcome of the analysis of the Full Business Case on the Wholly Owned Company and Modified In-House Alternative Delivery Models for infrastructure services, in accordance with the Outline Business Case approved by Cabinet on 16 July 2016.

**RESOLVED**: that

1. the content and conclusions of the report, including the Full Business Case which is set out in Appendix A to the report be noted;

2. the Chief Executive, in consultation with the Cabinet Members with responsibility for Environment and Corporate Services & Performance, be authorised to:

    a. put in place appropriate governance arrangements and support to implement the service improvement strategies outlined in the Full Business Case, including the establishment of the Commercialisation & Accelerated Improvement Board to oversee the change and improvement process;

    b. realign relevant services and budgets according to the proposed delivery model outlined in paragraphs 45 to 49 of this report; and

    c. allocate staff resources within the 2016/17 budgetary framework, including investment costs, to support the change programmes set out within this report.

3. the Service Improvement Agenda (Infrastructure Services) – Memorandum of Understanding between the Council and Trade Unions, as set out in Appendix D to the report be approved.

## 140 LED STREET LIGHTING FOR THE STRATEGIC ROAD NETWORK

Cabinet received a report regarding the intention to convert 13,608 street lights located on strategic highway routes to LED street lighting. This is an important step in achieving the Council's aspiration to become Europe's most liveable capital city.

The report outlined the positive impacts of undertaking this work including reduced CO2 emissions, budget savings and the ability to manage our lighting network remotely and more efficiently.

**RESOLVED**: that

1. the procurement process to award a (Works) contract to deliver LED street lighting as set out in the body of the report be approved;

2. the issuing of tender documents (including the overarching evaluation, sub criteria and ITT) be approved;

3. the issuing of the OJEU notice to formally commence the procurement process; be approved and

4. Authority be delegated to the Director of City Operations, subject to consultation with the Cabinet Member Corporate Services & Performance and the Cabinet Member Transport, Planning & Sustainability to deal with all aspects of the procurement process and ancillary matters up to and including contract award. Provided that the overall cost of the contract does not exceed a value of £5.5million, in which case matters will be referred back to Cabinet for consideration.

**141 CARDIFF COMMUNITY INFRASTRUCTURE LEVY (CIL)**

Cabinet considered a report outlining the intention to consult on the introduction of a Community Infrastructure Levy (CIL) Draft Charging Schedule. CIL enables Local Authorities in England and Wales to raise funds from developers undertaking new building projects in their area.

**RESOLVED**: that

1. the contents of the report be noted;

2. the response to the Joint Scrutiny Committee Task and Finish Group Report: Community Infrastructure Levy (May 2016), as set out in Appendix 4 to this report be agreed;

3. the proposed CIL Draft Charging Schedule for the purposes of public consultation be agreed; and

4. following public consultation, the Draft Charging Schedule will be reported back to Cabinet for approval to submit for Stage 3 Public Examination.

At the close of the meeting the Leader led a minute silence to reflect on the tragic death of Jo Cox MP.

# CITY OF CARDIFF COUNCIL
# CYNGOR DINAS CAERDYDD

## CABINET MEETING: 14 JULY 2016

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## CITY DEAL UPDATE

## REPORT OF CHIEF EXECUTIVE

**AGENDA ITEM: 2**

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**PORTFOLIO: LEADER (ECONOMIC DEVELOPMENT & PARTNERSHIPS)**

**Reason for this Report**

1. To update Cabinet on the progress in finalising the City Deal agreement.

**Background**

2. The Council report of 24 March 2016 outlined that the City Deal was signed in Cardiff on 15 March 2016 by the ten local authority Leaders, the First Minister of Wales, the Minister for Finance, the Secretary of State for Wales and the Chief Secretary to the Treasury.

3. The 'Heads of Terms' document outlines the parameters for the detailed development of the City Deal. The document also outlines how the ten local authorities will work in partnership with the Welsh Government and UK Government to support economic growth.

4. In order to progress enhanced regional working, and support the delivery of the investment fund, the City Deal document outlines proposals to establish a Cardiff Capital Region governance model that:

   - complies with the existing statutory framework that exists in Wales to deliver this City Deal;
   - strengthens and streamlines the existing governance and partnership arrangements across the Capital Region;
   - improves business involvement in local decision making;
   - provides confidence and assurance to both the UK and Welsh Government that the local authority leaders are making decisions which will drive economic growth across the Capital Region; and
   - enables local authorities to explore with the Welsh Government alternative governance arrangements in the medium term.

5. The development of the final City Deal is also reliant on the establishment of an Investment Fund Assurance Framework. By adopting the assurance framework prior to the commencement of the Investment Fund, the Cardiff Capital Region will ensure that schemes

that are taken forward (outside of the South East Wales Metro which will be subject to a separate assessment against an assurance framework) represent good value for money and are underpinned by a robust business case.

6. Other elements that will need to be concluded to finalise the City Deal include the development of governance arrangements to support the Cardiff Capital Region, these will include the establishment of:

- a Cardiff Capital Region Economic Growth Partnership;
- a Regional Business Organisation;
- further regional governance arrangements relating to the transport and skills agendas;
- arrangements to develop an integrated strategic development plan;
- an integrated delivery unit for business support; and
- a regional housing and regeneration plan.

7. In addition an Independent Growth and Competitiveness Commission has been established, with a remit to examine the challenges and opportunities for economic growth and competitiveness and make recommendations for how the Cardiff Capital Region can achieve its full growth potential. The Commission is a joint initiative of the ten local authorities that comprise the Cardiff Capital Region in consultation with the Welsh and UK Governments.

8. The Council report of the 24 March 2016 resolved to "*delegate authority to the Chief Executive, in consultation with the Leader of the Council, the Corporate Director Resources and Monitoring Officer to conclude any interim arrangements necessary to facilitate the development of the final City Deal (including without limitation to the generality of the foregoing appointment of external consultants and any interim appointments that may be required), provided the requisite budget provision is available."*

**Issues**

9. Following the signing of the City Deal document progress has been made in establishing governance and support arrangements for the finalisation of the deal.

10. To deliver the issues identified above the Leaders of the Cardiff Capital Region agreed to appoint a Programme Director, to be supported by a further appointment in the form of a Project Manager. The posts have now been filled following a process overseen by Chief Executives.

11. The Growth and Competitiveness Commission is chaired by Greg Clark, a renowned city-region development expert. The Commission has been established as a task and finish group aiming to report in late autumn 2016. A launch event was held for the Commission on the 28 June in Merthyr Tydfil where the appointment of additional Commissioners, Alexandra Jones (Chief Executive of Centre for Cities), Kevin Gardiner (Global Investment Strategist at Rothschild) and Helen Molyneux (Chief Executive Officer of New Law) was also announced. Julie-Ann Haines,

Customer Director for Principality Building Society and chair of CML Cymru has also since been appointed as the final commissioner.

12. As outlined above, the Commission will examine the challenges and opportunities for economic growth and competitiveness and make recommendations for how the Cardiff Capital Region can achieve its full growth potential. Discussions have also been progressed with relation to the development of a Cardiff Capital Region Growth Partnership.

13. These developments have been undertaken in consultation with the Cardiff Capital Region Transition Board in order to ensure both continuity and complementarity of current arrangements. In addition, as outlined in a letter from the then Minister for Business, Enterprise, Technology and Science on 25 November 2015, and in subsequent discussions, the Cardiff Capital Region Transition Board have been given the task of establishing the Regional Business Organisation.

14. Officials from city-region local authorities have also been in discussion with officials from the Department of Work and Pensions with regard to the development of a Work and Health Programme tailored to the needs of the Cardiff Capital Region. Officers are also in discussions to develop proposals to build on current Learning, Skills and Innovation Partnership arrangements to develop a more formal and resourced Cardiff Capital Region Employment and Skills Board that will act as the vehicle to drive a regional employment and skills agenda. These discussions remain ongoing.

15. In all aspects of the development of new regional governance arrangements, reports will be brought to Cabinet in due course with further detail.

16. Work is also underway to ensure that the various elements of the City Deal are implemented in a complementary way that ensures that the final outcome of the deal is ‘greater than the sum of its parts’. This work includes the development of strategic planning and strategic transport arrangements to ensure that investment such as the Metro is undertaken in a manner that is complementary with wider developments across the city-region.

17. Further work is on-going relating to the preparatory work for the establishment of a Cardiff Capital Region Cabinet. This will require additional external legal support given the specialist nature of the legal advice required and desired timescales for preparing all the documentation required. The provision of external legal advice will also assist with reducing any potential for conflicts of interest that may arise (or be perceived) if one Council were to take the lead on drafting the legal documentation.

18. Additional funding allocated from local authorities will be used to cover the costs associated with the appointment of the Programme Director, Project Manager and support for the Programme Office, as well as support costs associated with the development of the Growth and Competitiveness Commission and other identified external support

required. As outlined in the 24 March 2016 Cardiff Capital Region City Deal Council report, Cardiff's share will be met from revenue resources approved in the 2016/17 budget for this purpose. Any unused contributions will be returned to the Council.

19. As part of City Deal programme arrangements the City of Cardiff Council remains responsible for the management and monitoring of the budget associated with the development of the City Deal.

**Local Government Reorganisation**

20. On June 13 2016 the WLGA released a statement welcoming a Welsh Government commitment to find a new way forward on plans to reorganise local councils in Wales. This follows a statement from Mark Drakeford AM, Cabinet Secretary for Finance and Local Government, in which he outlined that the plans to reorganise local government from 22 to 8 or 9 local authorities will be revisited, and that "a wider sort of conversation" was required.

21. The WLGA also stated that *"New developments like the Capital Region City Deal are based on local councils coming together at the regional level. These developments have been locally led, are maturing quickly and have the potential to offer vast benefits to our local communities."* The City Deal process offers significant opportunities for further local government collaboration. The establishment of a Cardiff Capital Region Cabinet will provide a governance vehicle to build further collaboration given that there is no legislation in place to establish vehicles such as a Combined Authority.

**EU Referendum Vote**

22. Phase 2 of the Metro is a central element of the City Deal and includes some £103 million ERDF funding, which would need to be spent within the next five years, and while the referendum result has created uncertainty for EU funded initiatives, advice remains that current projects should be viewed on a 'business as usual' basis. The First Minister has made a statement outlining that he will seek to ensure the Welsh Government is fully involved in negotiations on the terms of UK withdrawal and our future relationship with Europe, with a priority to protect the interests of Wales. This includes negotiations on participation, on current terms, in major EU programmes up until the end of 2020 to provide continuity while arrangements are made for the longer term. A further report on the wider implications of the EU referendum vote is being considered separately as part of the Cabinet Meeting Agenda of the 14 July 2016.

**Financial Implications**

23. The report serves to update Cabinet on the progress of the City Deal since matters were last reported to Council on 24 March 2016. The report to Council of 24 March (and financial implications therein), outlined the financial considerations that need to be taken into account in developing

the City Deal proposal. Members are respectfully referred to the financial implications set out in the Council report, which remain relevant.

**Legal Implications**

24. The report serves to update Cabinet on the progress of the City Deal since matters were last reported to Council on 24 March 2016. The report to Council of 24 March (and legal implications therein), outlined the work necessary to develop the comprehensive legal documentation required to detail how the City Deal will operate , the obligations that will fall to each party and the governance arrangements. Members are respectfully referred to the legal implications set out in the Council report, which remain relevant.

**Reason for Recommendations**

25. To update Cabinet on the progress in finalising the City Deal agreement.

**RECOMMENDATIONS**

The Cabinet is recommended to note the progress in finalising the City Deal agreement.

**PAUL ORDERS**
Chief Executive
8 July 2016

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# CITY OF CARDIFF COUNCIL
# CYNGOR DINAS CAERDYDD

## CABINET MEETING: 14 JULY 2016

CARDIFF
CAERDYDD

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## EU REFERENDUM IMPLICATIONS FOR CARDIFF

## REPORT OF THE CHIEF EXECUTIVE

**AGENDA ITEM: 3**

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**PORTFOLIO: LEADER (ECONOMIC DEVELOPMENT AND PARTNERSHIPS)**

**Reason for this Report**

1. This report seeks to:

   - assess the implications for the City of Cardiff Council and its partners of the result of the referendum vote to leave the European Union (EU);
   - consider the immediate response of the Council following the UK's decision to leave the EU; and
   - re-affirm Cardiff's position as an international city and the administration's vision to make Cardiff Europe's most liveable capital city.

**Background**

2. Since 1996, the City of Cardiff Council has been committed to developing its role and status as a European capital city and building on its reputation as an open, inclusive and international city. This is reflected in the city's diverse communities and evidenced by the 13,500 people who live in Cardiff that were born outside of the UK but within the EU.

3. The city has well established international links with two partner or 'twin' cities within the EU – Nantes in France (since 1963) and Stuttgart in Germany (since 1955) – and has worked with partner organisations representing over 50 cities and regions across Europe since 2007 as part of transnational cooperation and policy exchange projects funded mainly through the INTERREG Europe programme. These projects have related to issues such as city branding, creative industries and community cohesion. In addition, Cardiff hosted a summit of the European Council of Ministers in Cardiff in June 1998, which, at that time, involved the leaders of 15 EU member states.

4. Cardiff has received financial assistance from EU funding provided through Objective 2 (Assisted Area) status, the European Regional Development Fund (ERDF) and other EU funding and projects, which have supported, for example, the development of key infrastructure

schemes within the city, such as the redevelopment of Cardiff Bay and the construction of the A4232 Peripheral Distributor Road. The current programme of infrastructure development within Cardiff and the wider Cardiff Capital Region is also supported by financial assistance from the ERDF.

5. In September 2014, the Leader and Cabinet set out a vision to establish Cardiff as "Europe's most liveable capital city" based on an outward facing, internationally focused policy agenda that seeks to benchmark the city's performance with leading European cities and to learn from best practice in urban development and public service delivery in Europe.

**EU Referendum Result**

6. The referendum on the UK's membership of the EU took place on 23 June 2016. Across the UK, 51.9% of the electorate voted to leave the EU and 48.1% voted to remain, based on an overall turnout of 72.2%. In Cardiff, the result was 40% voting to leave and 60% voting to remain with a turnout of 69.6%.

7. The result of the EU referendum brings into sharp focus Cardiff's relationship with the EU. Whilst the full impact of the vote in support of the UK leaving the EU is uncertain, a number of important issues are already beginning to crystallise and this report explores how the Council should respond.

**Issues**

UK Government Response

8. At present, one of the key questions following the electorate's decision to leave the EU relates to the timing of when Article 50 of the 2009 Lisbon Treaty will be invoked by the UK Government. The vote to leave the EU has no legal effect on UK law, so the UK remains a member of the EU and subject to all obligations and responsibilities under the EU Treaties and EU legislation, until such time as the UK Government gives notification under Article 50.

9. Once Article 50 is invoked, there is a binding two-year withdrawal process within which to negotiate the terms of the UK's exit from the EU. As a preparatory step, the UK Government has established a new EU Unit within the Cabinet Office to support the Brexit negotiations and to examine options for the UK's future relationship with Europe and the rest of the world.

Welsh Government Response

10. The First Minister issued a Written Statement on 24 June 2016 and a subsequent press statement following a meeting of the Cabinet on 27 June 2016. He confirmed that the Welsh Government will be seeking to ensure that Wales is fully involved in negotiations on the terms of UK withdrawal from the EU and Wales' future relationship with Europe. He also outlined the following six priorities for the Welsh Government:

- Protect jobs and maintain economic confidence and stability;
- Play a full part in discussions on EU withdrawal and timing;
- Retain access to the European Single Market;
- Negotiate continued participation, on current terms, in major EU programmes up until the end of 2020;
- Lobby for a review of the Barnett Formula and the UK Government to honour its commitment that Wales will not lose a penny in funding;
- Put the constitutional relationship between the UK Government and Devolved Administrations onto an "entirely different footing".

11. The Welsh Government has reaffirmed its commitment to remain outward looking in terms of its external orientation, and to make every effort to ensure that decisions taken by the UK Government fully address Welsh interests and concerns about the impact on jobs, growth and the economy. Press statements that have been issued subsequently by the Welsh Government Cabinet Secretaries for Finance & Local Government and Economy & Infrastructure have also sought respectively to clarify the position on the future of EU funding in Wales and to maintain economic confidence and stability.

Local Government Response

12. In terms of forthcoming negotiations, the Council has opportunities to promote Cardiff's interests through various mechanisms. These include continuing to work through Core Cities UK to promote the critical role of cities in driving economic growth for nations, not the other way around. Cardiff's membership of Core Cities UK provides an increasingly important arena for policy debate and direct engagement with the UK Government on the devolution of powers and funding to cities, particularly given the significance of the Core Cities within the UK economy and the wider European context.

13. The Core Cities UK Cabinet met in Newcastle on 12 July 2016 and considered a report published by Metro Dynamics, entitled *'AdiEU: The Impact of Brexit on UK Cities'*, which is attached as **Appendix A** to this report. Core Cities UK members agreed to lobby the UK Government to ensure that leading UK cities have an input into the future negotiations on withdrawal from the EU.

14. Similarly, the Welsh Local Government Association (WLGA) has agreed to lobby, with other local government associations around the UK, to ensure that Welsh local government has an input at a UK level into future negotiations to leave the EU. The WLGA has also expressed support for the First Minister's call for any monies lost through the end of EU structural funds to be replaced with equal funding levels through a new regional policy.

15. The WLGA has recognised that local government in Wales is entering a period of uncertainty. As a result, it has agreed to commence urgent discussions with Wales' Members of the European Parliament in order to

determine the depth of issues that will affect local authorities. The WLGA will also be writing to the Secretary of State for Wales and the Welsh Government Cabinet Secretary for Finance & Local Government to highlight the potential impact of market volatility on the £13 billion Local Government Pension Scheme in Wales.

16. The UK Government Secretary of State for Communities and Local Government, Rt Hon Greg Clark MP, confirmed in his speech to the Local Government Association (LGA) Annual Conference on 5 July 2016 that "English local government" will be involved in negotiations on the terms of the UK's exit from the EU. He has asked the Chairman of the LGA, Lord Porter of Spalding CBE, to put together a team representing all political parties and parts of the country.

17. The Leader of the City of Cardiff Council was appointed as the new WLGA Spokesperson on European Affairs for 2016/17 at the WLGA Council Annual General Meeting that was held on 1 July 2016 and will be expected to play a leading role in making representations on behalf of Welsh local government in relation to these issues. In this new role on behalf of the WLGA, the Leader wrote to the First Minister on 7 July 2016 seeking assurances that Welsh local government *"will be fully represented in all significant discussions and meetings over withdrawal from the European Union and all its ramifications"*.

Financial Impact

18. The immediate financial implications following the EU referendum result has been reduced by the Chancellor of the Exchequer's confirmation that there will be no post-referendum emergency budget. However, market volatility is likely to continue, particularly if any financial easing is considered necessary by the Bank of England, and will define the macro-economic environment in which the Council manages it financial affairs.

19. In the coming months, the Council will need to focus specifically on treasury management matters and the impact of any interest rate movements, which arise from the volatility surrounding sterling. The Governor of the Bank of England has outlined a "do-what-it-takes" approach to maintaining the UK's financial integrity. However, it is too soon to tell how this plays out in terms of fiscal policy.

20. Potential key financial impacts include:

- **Uncertainty**

  - Impact on financial markets – e.g. the UK has lost its AAA rating from a number of credit agencies. Whilst this may have a longer term negative impact on Council borrowing rates, the short term has seen significant reductions in Public Works Loan Board (PWLB) loan rates.
  - Impact on interest rates is unknown; however, this will depend on a number of factors, including risks to UK growth, exchange rate and risks to inflation in the longer term.

- Whilst the Council has investments, primarily in bank deposits, any reduction in interest rates would have an impact but would be manageable within the Council's existing revenue budget given the existing low levels of interest rates.
- These unknowns on the UK Budget will eventually have implications for the Welsh Budget via the Welsh Block Grant and the Welsh Government's subsequent decisions regarding its distribution.

- **Impact on Exchange Rates**

  - Tourism – there could be a beneficial impact of a reduction in the exchange rate for pound sterling in the short term and on incoming leisure tourism to the UK, although anecdotal statements from the hotel industry suggest a potential reduction in business tourism may outweigh any benefit for them.
  - Exports – the short term reduction in exchange rates would benefit exporters in the city and region. However, there would be a potentially adverse impact for companies involved in import-intensive sectors.
  - The above are short term impacts and the longer term impacts may be different subject to the outcome of negotiations following the UK invoking Article 50.

- **Potential Legislative Changes**

  - There are a number of financial consequences for the Council (e.g. landfill penalties etc. arising from EU directives) and there is a need for clarity on what will happen post exit.
  - Access to funding from the European Investment Bank.

<u>Impact on Economic Development and Investment</u>

21. A key issue for Cardiff and the wider Cardiff Capital Region relates to the position of the UK Government vis-à-vis the proposed City Deal, which was signed in March 2016. Despite the uncertainty of the broader political environment, recent indications from UK Government officials are that the Cardiff Capital Region should continue to focus on concluding the City Deal process by the end of the current financial year. This will require close monitoring of the position by the Council with regular reports to Cabinet on developments.

22. Phase 2 of the Metro is a central element of the City Deal and includes some £103 million from the ERDF, which would need to be spent within the next five years. It is too soon to assess with certainty how recent developments will affect this component of the City Deal. However, on 12 July 2016, the First Minster reiterated the Welsh Government's commitment to *"pressing ahead with the development of the Metro"*. There would also be a wider impact within the city, for example, in the Higher Education Institution (HEI) sector, where European funding has played a major part to date in supporting a range of research and development projects.

23. The EU referendum result has created uncertainty, which has significant implications for business, trade, investment and the property market. In the short term, many businesses are expected to adopt a 'do nothing' or 'business as usual' approach; however, the concern is that a paralysis of investment could delay major economic decisions and infrastructure projects. Similarly, uncertainty in the property market could affect confidence in housebuilding and developing and then filling new office space, as well as having an associated impact on any strategies to increase employment.

24. The Council and the Welsh Government have identified financial services as a key sector for the Cardiff economy and Central Cardiff Enterprise Zone. Following the EU referendum result and the changing position of the UK within the EU, there are potential economic implications for the City of London and other Core Cities as a result of any operational decisions taken by major banks and other financial institutions, particularly US-domiciled financial institutions and investors, to shift their operations out of the UK. The ripple effect away from London of such decisions and any associated job losses in this sector could be significant for Cardiff in the short to medium term, although this might be mitigated in the longer term.

25. In response, the Council needs to place emphasis on maintaining investor confidence in Cardiff, continuing to project the city's brand to national and international audiences (not least through major events like the Champions League Final 2017) and meeting with businesses to provide reassurance and support. The Council is currently working with the private sector, including the new Cardiff Business Improvement District, to develop a new mechanism to enable strategic engagement and ongoing dialogue between the Council's leadership and the business community in relation to the key issues facing the city.

26. The Council is also encouraging all stakeholders to contribute their views to the current work of the Cardiff Capital Region Competitiveness and Growth Commission, chaired by Professor Greg Clark, in order to inform the future economic strategy for the city region. The independent commission will gather evidence from community leaders, businesses and stakeholders before publishing its findings and recommendations in autumn 2016 on how the City Deal can be utilised to secure a sustainable economic future for the Cardiff Capital Region.

Impact on European Funding Provision

27. The current EU grant programmes, which run from 2014 to 2020, are well underway, with many projects already launched or at an advanced stage of planning. Under these programmes Wales has been allocated almost £2 billion from the EU, with £1.6 billion going to West Wales and the Valleys and over £325 million to East Wales (i.e. Cardiff, Vale of Glamorgan, Newport, Monmouthshire, Powys, Wrexham, and Flintshire). On a pan-Wales level, the Welsh European Funding Office (WEFO) has already committed over £700m of EU Structural Funds, which represents 40% of Wales' total allocation.

28. The current guidance from WEFO, the body responsible for administering European Structural & Investment Funding (ESIF) in Wales, is that it is 'business as usual' and that existing funding commitments should be honoured.

29. The Council's exposure to ESIF programmes for 2014-2020 is relatively limited in comparison to other local authorities in the West Wales and the Valleys region. However, the Council currently has two live projects supported by approximately £1.2million in funding through the European Social Fund (ESF):

- Inspire2Achieve – this relates to tackling NEETs and the Council has been recruiting staff to this project to support delivery. The European Social Fund money earmarked for the Inspire2Achieve project would appear secure; however, everything is currently subject to negotiations with the European Commission. The Council has £600,000 of match funds at stake in this project.

- Communities4Work – this a Welsh Government-led project involving Communities First clusters.

30. In addition, there are also a range of projects in the pipeline across the East Wales area supported by the ESF comprising an approximate total of £56m of funding, including 'Inspire2Work' which is currently at the business planning stage of the WEFO application process. This and other potential projects, including three INTERREG Atlantic Area proposals where approval is pending, provide support for people to get into employment and cover issues such as training, apprenticeships and childcare.

31. As indicated in paragraph 21 of this report, there is significant ERDF funding in pipeline projects that will impact on Cardiff, including approved funding for compound semi-conductor investment and business support. While this will not incur liabilities for the Council, it is clear that key institutions, particularly universities, will be affected. ERDF funding has also been allocated for business support and other investment to improve business activity and productivity across East Wales.

32. Access to other EU funds managed directly by the European Commission will also be affected, including Horizon 2020 research and innovation funding, INTERREG transnational cooperation opportunities and the ERASMUS+ scheme, which helps young people in Wales to experience work, volunteering and learning opportunities across Europe.

33. Horizon 2020 funding (€80 billion) is an important source of funding for the HEI sector with many activities attracting 100% funding. For example, the Metro Dynamics report shows that the HEI sector in Cardiff has received more than £67 million since 2007 in EU funding for research. The EU referendum result has no immediate effect on those applying to, or participating in, Horizon 2020. At this stage, it is unclear as to whether the HEI sector in Cardiff would have access to a similar funding pot for research and investment in the future.

34. In terms of Erasmus+, the UK Government Minister for Universities and Science has confirmed that the EU referendum result does not affect students studying in the EU, beneficiaries of Erasmus+ or those considering applying in 2017. The UK National Agency has also clarified that there is no immediate change to the UK's participation in the Erasmus+ programme. All participants and beneficiaries should continue with their Erasmus+ funded activities and preparation for the published application deadlines in 2016 and 2017.

35. As things stand, the Council and other Cardiff-based organisations are eligible to continue to apply as a lead, or be a partner in, applications for this sort of funding until the end of the formal two-year period that will be triggered when the UK Government invokes Article 50. The eligibility of UK organisations to participate in such programmes beyond the UK's legal membership of the EU is subject to negotiations between the UK Government and the European Commission.

36. Taking the example of Norway, which is not an EU Member State, but is a member of the European Economic Area (EEA), Norwegian organisations are eligible to participate in most non-ESIF programmes but enjoy a less favourable intervention rate from the EU, meaning that participants from Norway are required to make a higher contribution in terms of match funding than participants from EU Member States. At this point in time, however, it is not clear what sort of deal – if any – can be struck for the UK's continued participation in these EU funding programmes.

Impact on Existing Legislation

37. The EU sets the policy framework for a wide range of activities in the following policy areas that are devolved to the National Assembly for Wales and which have a direct impact on the work of the Welsh Government, Natural Resources Wales, local authorities, National Parks and other organisations in Wales:

- agriculture and rural affairs (including animal welfare);
- fisheries and marine policy;
- cohesion policy (EU Structural Funds);
- environment (including waste & recycling; water; planning & development – environmental impact assessments; biodiversity; air & noise legislation; eco-labelling standards for industry)
- energy and climate change;
- air quality, and
- public procurement.

38. A large proportion of current UK legislation, including legislation made by the National Assembly for Wales, is made under powers contained in section 2(2) of the European Communities Act 1972. This legislation is expected to be repealed in the light of UK's withdrawal from the EU and to lead to the automatic lapsing of all secondary legislation based on that power, unless suitable transitional provisions are put in place. In addition,

a more general review of references to European legislation in devolution measures contained in the Wales Bill will also be needed.

39. A large amount of European legislation is in the form of directives that are transposed into UK law (e.g. working time directive). A number of policies and regulations therefore could initially remain unchanged. On the other hand, EU regulations currently apply directly in every Member State and, therefore, consideration will need to be given as to whether, and how, to replace this legislation. If any changes are made, especially if it leads, for example, to the lowering of standards applicable within the UK, then this could have serious implications on the tradable goods sector on its ability to sell into EU markets in future. There cannot be an assumption that power over these services is simply transferred from Brussels to Westminster.

40. With specific reference to public procurement rules, whilst there is a view that the end of EU procurement rules and state aid might see many more freedoms for councils to operate and to invest in local business, much of this legislation has in fact already been adopted into UK law and was done so because elements of it are felt to represent best practice. However, gaps may appear in that legislation once it is decoupled from Europe and any work to change UK legislation would be both complex and time consuming due to the number of public sector and industry bodies with which consultation would be required.

41. It is not clear at this stage whether the power to make the necessary transitional provisions, in areas of devolved policy, would lie with the Welsh Government and National Assembly for Wales or with the UK Government and Parliament. Relations with the EU are not devolved to Wales, but individual subjects like waste and environmental protection, are.

42. If powers currently exercised at the EU level are repatriated to Wales, there would be significant implications for the Welsh Government in terms of policy development. Important negotiations would also be required in relation to the transfer of the corresponding budget, as well as that for regional development. Local government clearly has an interest in such negotiations as some powers might arguably be best exercised at the local level, with associated funding. As a result, it is important that the Council is able to inform these negotiations, working through local government networks such as the WLGA and Core Cities UK.

Impact on Public Services in Cardiff

43. Cardiff Public Services Board (PSB) members have highlighted a number of implications of the EU referendum result for their respective organisations. For example, Cardiff & Vale University Health Board (UHB) recognises that workforce implications are paramount, in terms of both recruitment and retention. The UHB has been actively recruiting in Europe to date. Current training programmes will not produce sufficient numbers of trained staff to meet the recruitment needs from the UK population. Retention issues are also becoming apparent as workers

from other EU countries consider their future in the UK during the current period of uncertainty.

44. Cardiff Third Sector Council has indicated that it will need to deal with the expected loss of European Social Fund money for projects, as well as more general cuts to funding, although there is an increased appetite among Third Sector organisations for sharing localities and resources. There is also a need to reassure communities and staff in terms of future service provision.

45. The National Probation Service has also highlighted the impact of possible cuts to service provision in terms of housing, training and mental health support to already vulnerable communities, and the potential for this to increase anger, harassment and incidents of anti-social behaviour.

46. At this stage, with the detailed implications of the EU referendum result so uncertain, public service partners in Cardiff have agreed to work collectively to ensure that the issues confronting Cardiff are highlighted collectively to the Welsh Government.

Community Cohesion within Cardiff

47. The impact of immigration into the UK has been widely debated in recent months, both before and in the wake of the EU referendum on 23 June 2016. This debate has been influenced by a number of factors in recent years, including economic migration within the EU; the resettlement of refugees and mass migration resulting from international conflicts in the Middle East, together with a period of public spending austerity within the UK. The Council is committed to building on Cardiff's long history of welcoming people from around the world and strong community cohesion with diverse communities living harmoniously alongside each other.

48. The Council has made clear that it will take a zero tolerance approach to dealing with any incidents of reported hate crime in the city following the EU referendum result. The Council issued a cross-party statement on 27 June 2016 emphasising Cardiff's intention to build on its reputation as an inclusive city. A copy of the cross-party statement is attached as **Appendix B** to this report. This was signed by Cardiff Councillors at the meeting of Full Council held on 30 June 2016.

49. This statement has also received the support of those public service partners that were in attendance at a meeting of the Cardiff PSB, which was held on 28 June 2016. This meeting was called specifically by the Leader of the Council, as Chair, to discuss the implications of the EU referendum result for partner organisations and communities in Cardiff.

50. The Cardiff PSB agreed to develop a combined community engagement strategy for public services in the city as a priority following the EU referendum in order to reassure Cardiff citizens and to respond to any reported increase in incidences of hate crime. This approach is currently being developed by the Council and partners and will seek to build on the city's reputation as an inclusive city and communicate positive stories around migration and community cohesion issues in Cardiff, whilst also

acknowledging any potential impact on public services in Cardiff and any community unease which may develop due to the current period of uncertainty.

Continued Membership of European Networks

51. The Council has been a member of Eurocities at various times since the network was founded in 1986 and re-joined the network in 2013/14 as part of an INTERREG funded project, which met the cost of membership fees paid by the Council. This will become an increasingly important arena for the Council, not least because Core Cities UK is also considering the potential creation of a common platform with a number of big European cities through the Eurocities network. It is therefore proposed that the Council continues to be a full member of Eurocities until such time as this decision may be revoked by the Council.

52. On 24 June 2016, the current President of Eurocities, Johanna Rolland, issued a statement confirming that Eurocities will continue to cooperate with large British cities. The statement made clear that Europe should count on its cities as deliverers of change and cities within Europe will continue to thrive thanks to cooperation and exchange of experience.

53. The Council is committed to maintaining its involvement and partnership working with European cities and networks, including Eurocities, to support the benchmarking of the city's performance and to learn from European best practice in relation to urban development and public service delivery. The President of Eurocities is also the Mayor of Nantes and the Leader of the Council will be seeking to arrange a meeting with the President and Secretary General of Eurocities at the earliest opportunity.

**Reason for Recommendations**

54. To ensure that the Council responds to the wide ranging implications for Cardiff arising from the EU referendum vote for the UK to leave the EU.

**Financial Implications**

55. The attached report provides an early assessment of the implications for the City of Cardiff and its partners following the result of the referendum vote to leave the European Union and as such there are no direct financial implications arising from this report.

56. The report outlines the uncertainty that the UK faces in the short to medium term following the result. The immediate financial issues and risks brought about by this uncertainty are clearly set out in the body of the report, along with details of some of the planned actions that Council intends to take to ensure that it is at the forefront of the discussions and negotiations that will emerge over the coming weeks and months.

57. The 2017/18 Budget Strategy report, which is also being considered at the Cabinet meeting on 14 July 2016, sets out the context of a prolonged period of financial restraint under which past budgets have been set, and

which will continue to be the case over the medium term. The impact on the UK's future economic positon resulting from the result to leave the EU will be closely monitored in the coming months, including the potential need for an Emergency UK Budget later in the year. This could have implications for the Welsh Government's budget, which in turn could add further pressures to the Council's requirement to achieve a balanced budget over the medium term. Both Cabinet and Council will continue to be provided with regular updates on the emerging financial implications through the established programme of budget monitoring and budget setting reports through the course of the year.

**Legal Implications**

58. As indicated in paragraph 8 of this report, the referendum result does not in itself have any legal effect. The legal process of leaving the EU will only commence when the UK invokes Article 50 of the Lisbon Treaty and it is not yet known when that will be.

59. For the time being, therefore, the UK remains a member of the EU and subject to all obligations and responsibilities under EU treaties and EU legislation. Once Article 50 has been invoked there will be a two year negotiation period for the terms of the UK's exit from the EU to crystallise.

60. Many legal obligations imposed from Europe have been specifically enacted as UK national law. Therefore even after the UK has left the EU they will remain in force as national law unless and/or until the UK decides to revoke or replace them. Areas relevant to local government include procurement, state aid, employment, and immigration rules. Further legal implications and commentary appear in paragraphs 37-42 of this report.

61. It is apparent that the revocation or replacement of any UK law which embodies European law is likely to take some years and indeed in some cases the UK may decide that it wants to keep that law. Accordingly, the legal obligations to which the Council is subject are likely to remain unchanged for a considerable time into the future.

**RECOMMENDATIONS**

Cabinet is recommended to:

1. note the contents of the report;

2. re-affirm Cardiff's position as an international city and the administration's vision to make Cardiff Europe's most liveable capital city;

3. agree to work through Core Cities UK and the Welsh Local Government Association to make representations to the UK Government on key issues to be considered as part of future negotiations to leave the EU;

4. agree to strengthen community engagement mechanisms in Cardiff by working with partners via the Cardiff Public Services Board; and

5. approve the continuation of Cardiff's membership of the Eurocities network.

**PAUL ORDERS**
**Chief Executive**
13 July 2016

*The following appendices are attached:*

**Appendix A**: Metro Dynamics Report – AdiEU: The Impact of Brexit on UK Cities (July 2016)

**Appendix B**: City of Cardiff Council Cross Party Statement

*The following background papers have been taken into account:*

WLGA Council AGM, 1 July 2016 – EU Referendum Outcome and Implications (Emergency Item)

Welsh Government Press Release, 30 June 2016 – Cabinet Secretary for Economy and Infrastructure
http://gov.wales/newsroom/businessandeconomy/2016/160630-wales-still-a-great-place-to-do-business/?lang=en

Welsh Government Press Release, 29 June 2016 – Cabinet Secretary for Finance and Local Government
http://gov.wales/newsroom/finance1/2016/160629eustructuralfunds/?lang=en

Welsh Government Cabinet Statement by the First Minister, 27 June 2016:
http://gov.wales/newsroom/firstminister/2016/160627cabinetstatement/?lang=en

Welsh Government Written Statement by the First Minister, 24 June 2016:
http://gov.wales/about/cabinet/cabinetstatements/2016-new/eureferendum/?lang=en

National Assembly for Wales Research Service Briefing – 'Wales and the EU: What does the vote to leave the EU mean for Wales?', 24 June 2016.
http://www.assembly.wales/research%20documents/16-037-wales%20and%20the%20eu%20what%20does%20the%20vote%20to%20leave%20the%20eu%20mean%20for%20wales/16-037-leave-english.pdf

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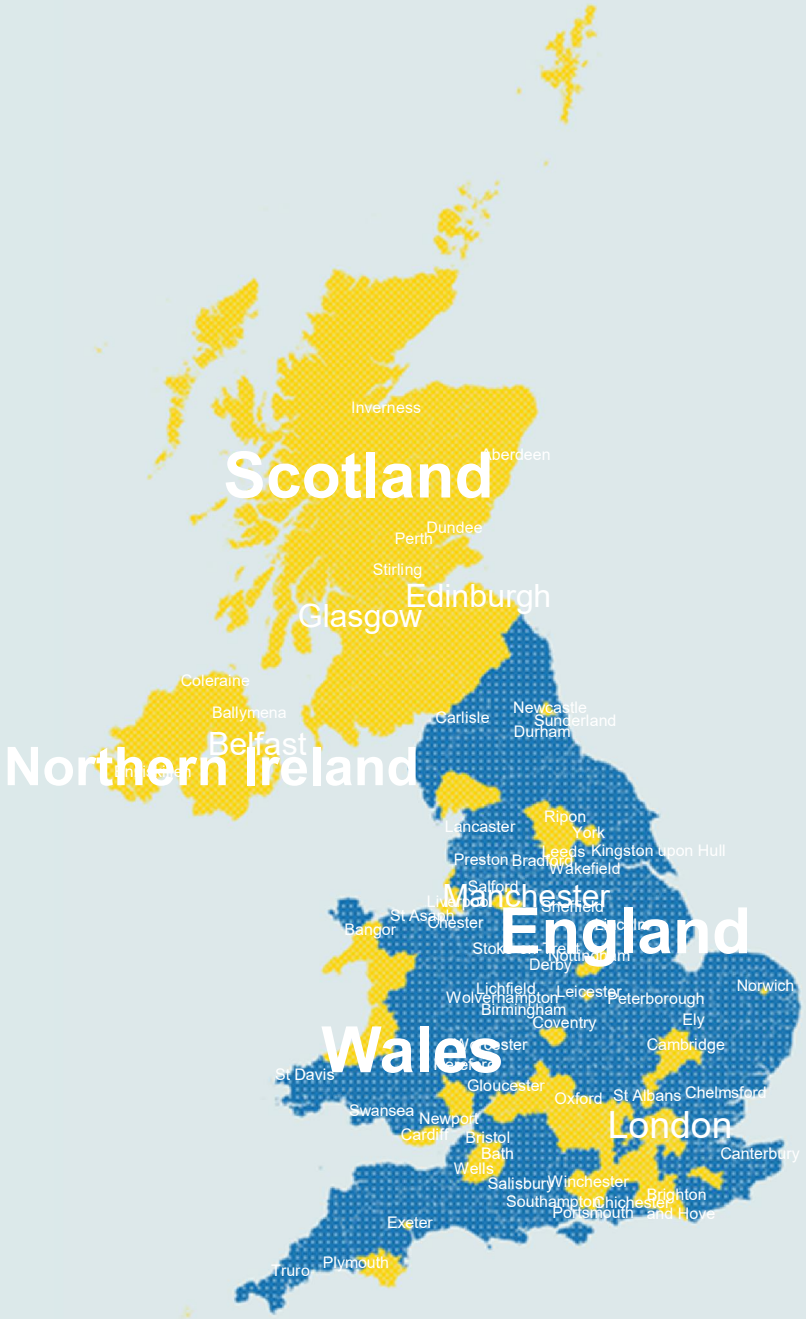
# AdiEU:
# The Impact of Brexit on UK Cities






Metro —— Dynamics

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# The purpose of this report

It may not have been a regular subject at dinner tables around the country, but in the last couple of years, many of the UK's cities have been undergoing a period of radical structural reform as powers and finances have been transferred gradually from national to local government. These reforms have culminated in the City Devolution programme, which now covers ten cities and regions across the UK, and the creation of the Northern Powerhouse, to balance the London and South East economic powerhouse.

At the time of writing, there is significant trepidation that the events of the last few days could put these reforms at risk. The vote to leave the European Union ('EU') will impact upon the economies of cities and metropolitan areas. This impact will be felt acutely by local authority teams in cities, by businesses operating in cities, and by investors who fund development in cities.

The purpose of this report is not to forecast or speculate on how the unprecedented historical events of the last week will play out - this is available on the front pages of every newspaper daily - but to set out the facts as they are known today, and consider the range of likely impacts.

The possible economic impacts include the loss of significant European Union funding streams such as ESIF and EDRF, jobs and investment linked to European trade, future investment in infrastructure and business, universities' ability to continue to attract EU academics and students, and research and innovation investment.

The political uncertainty which is a by-product of the Referendum, creates short-term uncertainty about the prospects for the City Devolution programme. There is at least a risk that the process of devolution could be slowed or even halted as the political parties work through leadership changes and ensuing policy is realigned. For those places yet to start a formal City Devolution process, there is a worry the window may have started to close.

Whilst there are reasons to be concerned about the City Devolution programme, there are equally good reasons to believe it should be continued.

Firstly, the Referendum has revealed concerns about the nature of our national democracy. Voting patterns have highlighted divisions within our society. The results, and the ensuing political fallout, suggest that no leader of any single national political party can claim to be truly representative of the country. The UK needs progressive city leaders to help unify communities, and they will need the powers and finances implicit in devolution to enable them to do this effectively.

There can be no doubt that the UK economy is going to be affected by economic fallout as we withdraw from the EU, the only question is how deeply and for how long the impact will be felt. Cities are increasingly seen as the engines of economic growth and their response to the UK's withdrawal from the EU will be key to limiting its economic impact. The wisest cities will already be reaching out to local businesses, universities, and investors to assess the range of possible scenarios resulting from Brexit, and planning accordingly. Referendum results present a number of issues, but there will also be opportunities. City leaders, working in tandem with the private sector, need to identify those opportunities and ensure appropriate plans are put in place to realise them. Local government is best placed to do this with devolved powers. For these reasons, devolution as a policy objective should continue.

The Table of Contents to this report effectively sets-out a checklist of the immediate and known issues on which city leaders, businesses and investors should focus over the coming few months. This should be the agenda for cities as they shape their response to the post-Referendum world. It should be the basis on which cities and their stakeholders negotiate with a new Government. And the centrality of these issues makes a powerful case for city leaders to be fundamentally involved, alongside the devolved administrations, in the withdrawal negotiations.

This is the first in a series of regular briefings to be produced by the Metro Dynamics team to bring some clarity to everyone who has a direct or indirect interest in our cities. To receive more of these briefings, please contact the team.

Research@MetroDynamics.co.uk

# Cities and EU funding

Most people are aware that two of the EU's founding principles are the freedom of movement and access to open markets. Another of the EU's fundamental principles is to balance economic growth and price stability across and within countries in order to create a highly competitive social market economy that enables full employment and social progress.

The EU's main delivery mechanism to achieve this has been the creation of a number of multi-billion framework funding programmes that redistribute EU membership contributions. The UK has contributed significantly to these funds, and has also been a major beneficiary. The referendum debate revolved around the net total national figure. However, for cities and regions in the UK, there is no net figure to debate – it is only a loss.

The UK's decision to leave the EU will have a direct impact as EU funding streams are suspended or cancelled. How much of an impact will depend on what redistributive mechanisms are put in their place by Government, and when. Set out below is an initial inventory of the EU funding streams and, where known, the potential economic exposure of the UK's cities and regions to those streams.

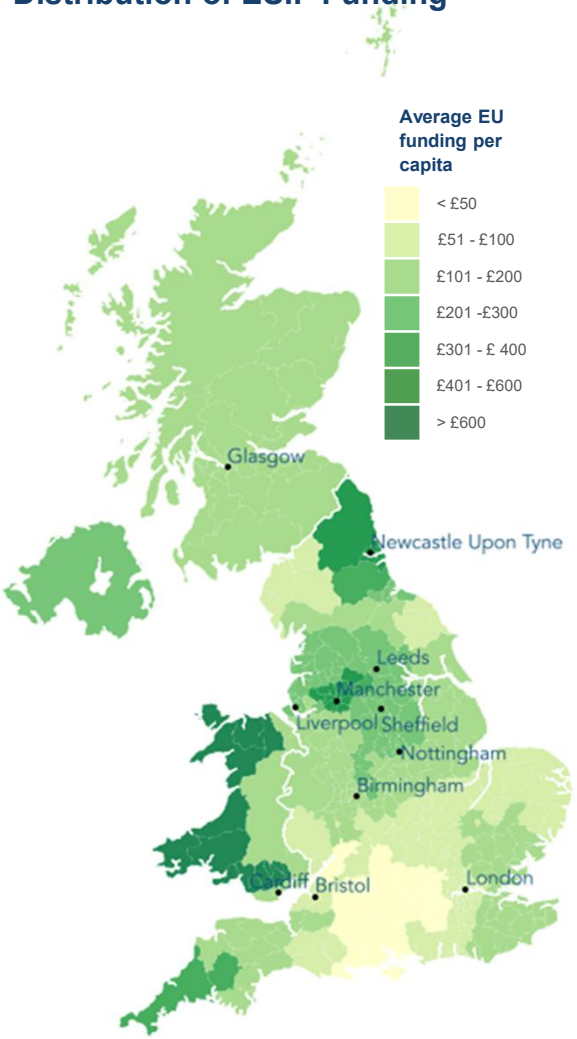
## European Structural and Investment Funds (ESIF)

European Structural and Investment Funds (ESIF) provide funds to help local areas grow. The overriding aim of ESIF is to reduce economic inequalities both between, and within, European countries. ESIF supports investment in innovation, business, skills and employment in order to create jobs. The funding that makes up ESIF is largely divided into three separate funds, two of which invest in UK cities: the European Social Fund (ESF) and the European Regional Development Fund (ERDF).

ESIF funding is vested through multi-year agreements and the current round covers the period from 2014 to 2020. Under the current agreement, the UK receives £1.8bn per year which is distributed across the country on the basis of an allocation set by the European Commission. The bulk of the funds are targeted at areas of the country with more pressing economic need, with Cornwall, West Wales and the Welsh Valleys receiving the highest allocation of funds per capita reflecting this.

A number of northern cities also receive large per capita allocations as this map illustrates. The LEPs in these cities have funded a number of specific programmes, the majority of which are designed to support the development of specific skills.

## Distribution of ESIF Funding




Source: European Commission

For instance, the funds are being used in Liverpool to run programmes to train residents for the marine energy sectors, and in Hull, the money is being used to fund a programme supporting the young unemployed.

There is no constitutional or legal precedent as to what will happen when the UK formally leaves the EU. If the UK withdraws from the EU before 2020, then there will be a question mark against what happens to ESIF funding between the departure date and the end of its allocation in 2020. This will be subject to exit negotiations. Should the EU choose not to extend the UK's ESIF funding beyond the UK's withdrawal date, there will be a funding gap. The Government will need to decide whether to cover the funding gap to the end of 2020, or whether ESIF funded programmes will need to end in tandem with the UK's withdrawal date. For cities, there is therefore a risk that training and skills development programmes may be impeded or end early.

## European Investment Bank lending

The European Investment Bank (EIB) is an important lender to the UK's cities. The EIB is owned by the 28 member states of the EU. Alongside Germany, France and Italy, the UK is one of the largest shareholders with a 16% stake. The EIB provides project finance for major infrastructure projects including energy, transport, telecommunications, water, sewerage and solid waste, and project finance direct to industry. In the last decade, the EIB has invested more than £40bn into the UK, of which £5.6bn was invested in the last year.

Of concern to cities is the fact that more than 78% of that funding has been directed at urban areas. The EIB has indicated that recent deals will continue uninterrupted. This includes major projects like the Thames Tideway Tunnel, funding to Swansea University, social housing developments, and to an off-shore wind-farm in Scotland. However, it is now uncertain whether the EIB will fund future UK-based projects. Shareholder status in the EIB (and therefore access to lending) is dependent on EU membership, which the UK will no longer have. Lending to non-members is subject to EU mandate, which the UK will need to negotiate. The EIB recently told the news programme Newsnight, that "the uncertainty created by the vote to leave the EU means that some [pending] UK projects, that would have stood a good chance, are now less likely to be approved"[1].

According to the EIB's database, there are 55 UK projects that have been submitted to the EIB for financing purposes that are currently going through due diligence and approval processes. As the map overleaf illustrates, many of these projects would have provided funding directly to UK cities. Should these projects not be funded, cities will either need to source alternative funding or not proceed with the project.

## Projects submitted to European Investment Bank (currently pending)

### Scotland
- Funding for capex programme of the University of Edinburgh
- Construction and operations of new deep-water port at Nigg Bay
- Investment in electricity distribution, generations and systems
- University of Aberdeen improvement and development

### North East
- Funding capex programme of University of Newcastle

### Yorkshire and the Humber
- Financing support of two offshore wind farm developments transmission networks
- Highway improvement, road bypass and urban public transport schemes

### North West
- Water and sewage infrastructure investment
- Energy efficiency, renewable energy and innovation investment
- Electrically powered rolling stock for use in Merseytravel's network

### East Midlands
- Water and drinking water treatment investment
- Expanding and upgrading Joseph Wright Centre
- Restoration and refurbishment of buildings in city centre at Roundhouse

### Wales
- Cardiff energy from waste CHP plant
- Swansea University campus optimisation
- Programme to improve resource efficiency and adaption of new systems

### West Midlands
- University of Worcester development
- Walsall College development

### East of England
- Water and drinking water treatment investment

### London
- Investment to support social and affordable housing developments
- Supply of up to 60 4-car units (240 vehicles) to London Overground
- Station improvements and platform extensions investment

### South East
- Medium-scale offshore wind farm investment
- Port of Dover development
- Hastings college development
- Integrated waste management service in Oxford

Source: Metro Dynamics analysis of European Investment Bank project database

## National infrastructure funding

Last year, the Government established a National Infrastructure Commission to oversee and coordinate investment in infrastructure and major projects across the UK. Alongside this, a National Infrastructure Delivery Plan was developed to bring together the Government's plans for economic infrastructure, housing and social infrastructure over the next five years. The Government committed to deliver the plan by 2020/21 which today sets out over 600 projects costing a total of £420bn, of which £100bn is to be Government-funded, with the remainder provided by private investment and EU investment (such as the EIB as discussed above). The pipeline includes not only projects of national importance, but also the types of infrastructure that are critical to improving the functionality of cities, such as public transport, road maintenance and digital connectivity.

Whilst the decision to leave the EU will not directly impact on the Government's commitment to invest £100bn in the plan, the decision does introduce uncertainty around the feasibility of securing the balancing figure of £320bn, which could jeopardise some projects. Investors crave certainty. According to a recent survey of infrastructure investors active in the UK market carried out by S&P Global Ratings before the referendum, the majority (71%) were of the opinion that the UK's exit from the EU would suspend private investment in UK infrastructure for a period of two years after the vote[ii]. Investors may wait to see what impact the UK's withdrawal from the EU has on the national economy and the value of Sterling. Of the 600 projects set out in the pipeline, about half are focused on cities. As illustrated in the following map, some of these projects are important enabling projects that open the door to further private investment. At this stage it would be imprudent to predict whether any specific projects are at greater or lesser risk, but at some stage in the not too distant future, discussions about the potential funding gap in the National Infrastructure Delivery Plan will become critical.

In addition to these projects, there are a number of super-infrastructure projects that may be impacted by the UK's referendum decision. The delivery of High Speed Two (HS2) is critical to the economic plans of many northern cities. The HS2 Hybrid Bill is currently some way through the legislative process. In March 2016, the HS2 Bill passed successfully its third reading in the House of Commons with MPs voting 399 to 42 in favour. There is a risk that the passage of the Bill through the House of Lords may now be delayed thanks to the current political situation. Should a General Election be called, all legislative work in Parliament will be suspended and purdah observed. There is a risk that until that time, the current political confusion will interrupt the legislative calendar. Construction on HS2 was due to commence in 2017. Should the passage of the Bill be delayed, the start date for construction could be impacted.

At this stage it is unknown how the UK's exit from Europe will be viewed by foreign (and specifically non-EU) investors. However, as outlined above, there is a risk that the combination of Sterling exposure and uncertainty over the short-term political environment will delay investment decisions, further impacting on construction timescales.

There are also concerns about the future of Hinckley Point C, the UK's first new nuclear power station in over a generation. The new facility was projected to generate 7% of the UK's electricity and, through the construction, supply chain and related research activities, generate more than 25,000 jobs[iii]. The facility was to be backed by EDF, the French power conglomerate. The project has already been subject to numerous complications and delays, and not helped by EDF's difficult financial position and French union opposition. The company recently posted a 68% loss in net profit due to asset impairments as well as significant debts[iv]. This combined with the UK's decision to leave Europe may jeopardise the project, despite EDF's official statements to date.

Of equal concern is the impact on the much-delayed decision on whether to expand Heathrow or Gatwick airport. There is overwhelming consensus that one of London's airports urgently needs to be expanded. The decision on which airport to expand will likely be taken for political reasons, despite the extensive work of the Airports Commission which has recommended expansion at Heathrow. The current political uncertainty means that any decision is likely to be further delayed. This is of significant concern not just to London, but to all cities with airports that hub to London airports. The Transport Secretary has recently announced that a decision, which was expected in early July, will now not be taken until at least October 2016.

## National infrastructure pipeline projects

### Newcastle upon Tyne
- Improvement and maintenance works to A1 North

### Manchester
- Investment in Manchester Smart Motorways
- Substantial investment in Manchester airport

### Leeds
- Flood alleviation scheme
- Leeds new generation transport investment

### Liverpool
- Surface access investment: A5036 to the Port of Liverpool
- Mersey Gateway Bridge

### Hull
- A63 Castle Street to Port of Hull

### Cambridge
- A14 upgrade
- Northstowe new town investment

### Birmingham
- Midland Main Line
- M42 Junction 6
- Smart motorways investment: M6 Junctions 13-15

### London
- Crossrail and Crossrail 2
- Northern Line extension to Battersea
- Thames Tideway Tunnel
- Francis Crick Institute
- London Power Tunnels

### Bristol
- Bristol Temple Meads development

Source: National Infrastructure Delivery Plan, 2020

## University funding

The UK is blessed with an exceptionally strong university sector and is a magnet for international students, academics and research funding. The economies of many cities are dependent on these vital economic assets: the large numbers of European students who study in these cities exercise significant spending power; the intellectual prowess of European researchers and students contribute to universities' research and development strengths; and the EU's research funds invest heavily in UK academic institutions. The UK's decision to leave the EU will impact on all these dynamics. Each year, universities generate over £73bn for the UK economy, and support nearly 380,000 jobs[v]. Almost £4bn of this sum is generated by students from EU countries[vi].

More than 1.8mn undergraduate and postgraduate students are registered in the UK. Almost 25% of that number are overseas students (436,000), and of that, approximately 125,000 are from the EU[vii]. At any point in time, there are more international students studying and contributing to the British economy than the populations of a mid-sized city like Liverpool, Edinburgh or Bristol. The table on the right gives an indication of how those students are distributed across some of the major regions of the UK .

To date, EU students have benefited from the same funding regime as UK students. They are charged Scottish (£nil), Welsh (up to £3,900), Northern Irish (£3,925), or English (up to £9,000) fees, and benefit from access to student loan finance. These fees represent a very significant discount on the fees charged to non-EU students: overseas students pay up to £35,000 a year for clinical courses, and up to £16,000 for arts courses.

It is likely that EU students currently studying or applying for 2016/7 entry will not face changes to funding or fees. But beyond that, universities are likely to face stiffer competition to attract EU students. In addition, the Erasmus Plus student mobility programme may no longer fund EU students at UK academic institution which would also contribute to a reduction in students from the EU.

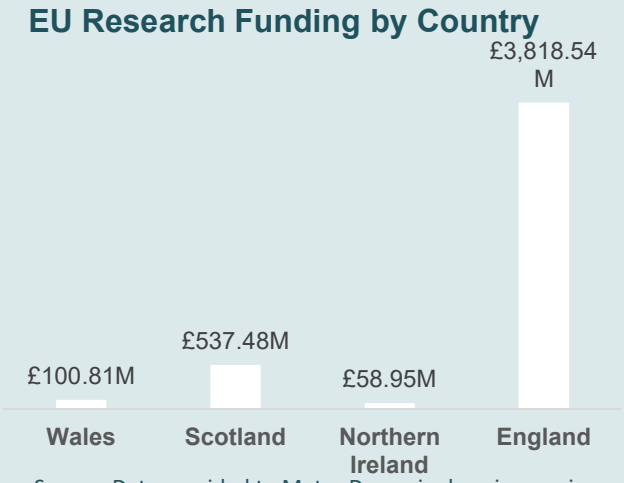
### European Student Numbers

| | Total students | EU students | EU students as a % of the total |
|---|---|---|---|
| Greater London | 354,975 | 31,920 | 9.0% |
| West Midlands CA | 122,805 | 5,525 | 4.5% |
| Greater Manchester CA | 96,055 | 4,415 | 4.6% |
| Glasgow CR | 82,530 | 6,390 | 7.7% |
| North East CA | 81,470 | 3,140 | 3.9% |
| Cardiff CR | 76,905 | 2,960 | 3.8% |
| West of England CA | 71,180 | 3,395 | 4.8% |
| Oxford | 43,465 | 3,325 | 7.6% |
| Cambridge | 39,345 | 3,210 | 8.2% |

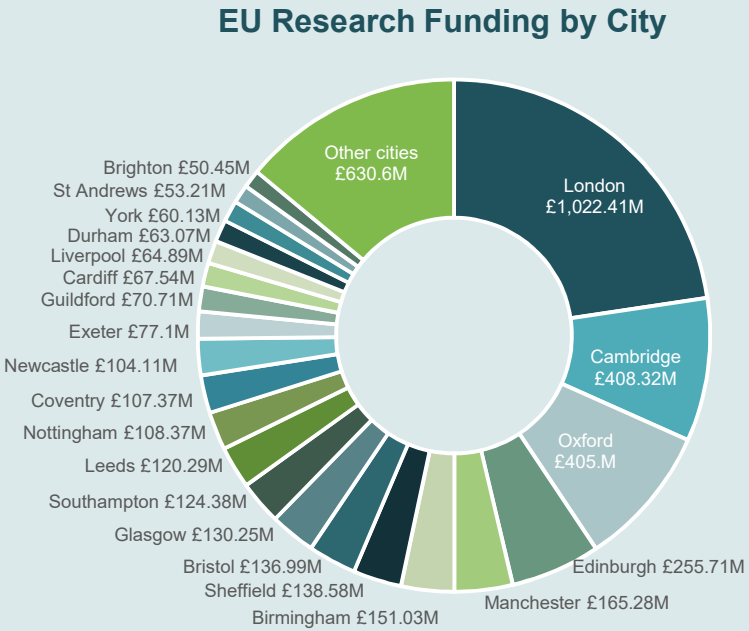
Source: Metro Dynamics analysis of Higher Education Statistical Authority figures

Today, the UK receives a net surplus of EU research and student mobility funding. Most of this funding is delivered through Horizon 2020, the EU Framework for Research and Innovation. The goal of the funding programme is to produce world-class science and to remove the barriers to innovation and make it easier for the public and private sectors to work together and deliver innovation. The UK has received £1.8bn of funding over the last two years and total investment was expected to reach £10.4bn by 2020, according to European Commission figures, accounting for almost 16.7% of the total. Of the £1.8bn grant, the bulk is directed to higher education institutions (Cambridge University receives the largest allocation), £257mn to SMEs that undertake research, £115mn to non-SME businesses and £270mn to research organisations. But when the grants to institutions and businesses are aggregated at the city level, it is clear major research cities will be impacted. The chart below illustrates this point. London leads the pack having received more than £1.25bn since 2007, followed by Cambridge and Oxford, each receiving more than £400mn. The West Midlands region received more than £260mn, and Greater Manchester received more than £175mn[viii].

Continued access to EU research funding will constitute another plank of the UK's exit negotiations. However, it is possible that any ongoing access to EU grant funding will be contingent upon the UK's willingness to sign up to the free movement of people. A precedent has been set by Norway and Turkey, both of which take part in Horizon 2020 under "associate member" status. As the Horizon programme is set to complete in 2020, the EU is due to commence consultation next year on the next generation of EU research funding, referred to as Framework Programme 9. Given the strength of the UK university sector, this may provide a window to argue for the UK's further inclusion, which will be vital if the UK's university cities are to compete globally.



Source: Data provided to Metro Dynamics by wizsom.ai



Source: wizdom.ai by colwiz (https://wizdom.ai/)

# Cities and EU trade

The functional economies of the UK's cities are diverse. London is likely to be most impacted by the decision to leave the EU – the trade in services and the free movement of labour are fundamental to the mechanics of the London economy. The future size and shape of the financial services sector centred in the City of London will therefore remain an issue of national concern.

Many smaller cities have more self-sufficient economies and as a result may be less exposed to the changes in EU trading terms. But as discussed in Section One, some of these cities will be more exposed to cuts in significant EU funding streams or the likely reduction in numbers of EU students choosing to study at UK universities. Other cities are economically dependent on the production of physical goods, like cars, that are then exported to the EU market. This section outlines the potential impact on cities of the UK's withdrawal from the EU from the perspective of trade.

International and intra-EU trade takes many more forms than it did when the EU's founding fathers set out a vision for a free trade area in 1958. Most UK cities have historically developed around a central organising principle, namely the physical production of specific type of good: cotton, steel, ships, engines. Despite all of the changes in the last century, the trade of physical goods remains an important mainstay of many UK cities, albeit a much smaller one proportionally. In response to the growing international competition for manufacturing and production operations, many cities have made a conscious decision to move up the production value chain. These cities have actively invested in the research and development of new goods, such as pharmaceuticals, medical devices and advanced materials by drawing on research assets like major universities.

Meanwhile the decrease in the production of physical goods has been inversely mirrored by an increase in the provision and trade of services. Many of these services are traded within the UK, and many (for example financial services and advertising) have become significant service exports to the EU. Finally, in recent years there has been a marked increase in intellectual property related trade, a good example of which is the creation of software, whether for games, virtual reality or enterprises.

To set the context for the discussion in this section, the UK's total trading position relative to the EU needs to be established. Approximately 44% of all UK exports end up in the EU whilst, conversely, less than 16% of the EU's exports are made to the UK. The likely impact on the trading position of the UK's cities on withdrawal from the EU will be a function of two things: the economic make-up of a city economy across the classifications listed above and the model of ongoing UK-EU trade that is eventually adopted. To set the background for this discussion, the table to the right shows the breakdown of trade across six significant sectors of the UK economy.

## Sectoral impact of Brexit

| Sector | Share of Employment | Share of sector's exports destined for EU | % of UK Exports |
|---|---|---|---|
| Automotive | 0.42% | 35% by value | 4.9% |
| Chemicals & pharma | 0.52% | 57% | 9.9% |
| Aerospace | 0.34% | 45% | 2.3% |
| Capital goods & machinery | 0.61% | 31% | 8.6% |
| Food & beverage | 3.7% | 61% | 3.7% |
| Financial services | 3.6% | FS* 41%<br>I&P**: 18% | FS* 9.3%<br>I&P** 4.3% |
| Professional services | 11.6% | 29.8% | 9.9% |

Source: Open Europe
* Financial Service
** Insurance and Pensions

## Trade in physical goods

Possible limitations in the trade of physical goods have dominated the referendum debate. Today the UK has preferential access to European markets for the trade of goods across 52 countries as a result of 22 separate trade agreements between the EU and individual countries and five multi-lateral agreements. For many cities, the outcome of exit negotiations will be pivotal to future economic well-being. The potential imposition of tariffs and quotas on goods for export into the EU will make them less competitive. However, this impact could be partially mitigated by a potential long-term depreciation in Sterling.

There are a number of models being discussed that would allow the UK to continue to access the European market. The "Norway model" would theoretically allow the UK to become a member of the European Economic Area (EEA) in return for a financial contribution and acceptance of the majority of EU laws and free movement. The "Switzerland model" would allow the UK to become a member of the European Free Trade Association, but not the EEA, through a series of bilateral agreements that would become binding in return for a financial contribution by the UK. The "Turkey model" would allow the UK to enter into a customs union, which would prevent any tariffs or quotas on industrial goods exported to EU countries, but would not cover agricultural goods. Whilst there has been a lot of rhetoric about the shape of a future trade agreement, this is speculation, and proposals are unlikely to emerge until a new Prime Minister and Cabinet are in place later this year.

However, what is known is the EU trade balance in goods and how it varies geographically across the country. At a national level in 2015, the UK imported £219bn of goods from the EU and exported £134bn, equating to a net trade deficit of £85bn[ix].

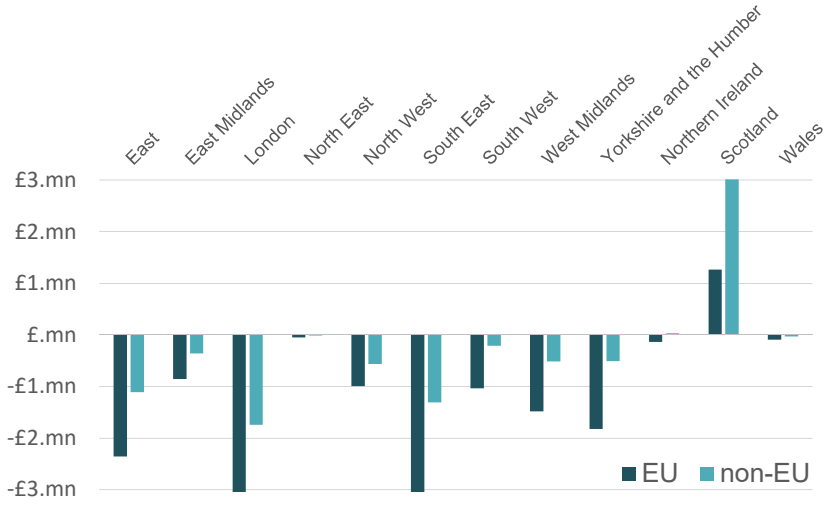
Unfortunately, the European trade statistics are only available at the regional level, not the city level, but the results are still compelling. In England, two of the eight regions ran an overall EU trade surplus in goods last year – the North East, and the South West. In addition, Northern Ireland, Scotland and Wales all ran trade surpluses as well.

Digging below these regional level figures exposes some of the uncertainties cities face. For example, much of the North East's overall EU trade surplus is driven by a surplus in manufacturing of machinery and transport (primarily cars) and production of chemicals. As is well known, Sunderland is home to Nissan, the UK's largest single car production site. Nissan has invested £3.67bn into the site since it was opened in 1986 and it is the EU manufacturing hub for the production of five different models. The region's highly successful production of chemicals is linked to concerted investment by over the last decade. In 2004, a formal industry cluster was established by the leaders of many petro-chemical and pharmaceutical raw material companies based across the region to accelerate growth and access to international markets, including the EU. Today the cluster manufactures 50% of the UK's petrochemicals and 35% of pharmaceutical raw materials. Companies, including Akzo Nobel (Dutch) and GSK (UK), have also invested in significant facilities in Newcastle, Billingham and South Tyneside to produce goods for export into Europe.

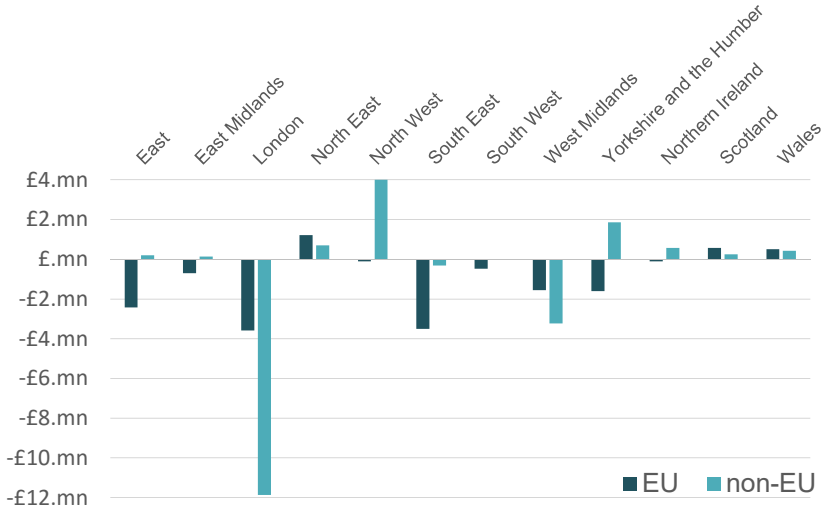
Whereas a century ago, much industry took place in the heart of cities, today, industry and manufacturing takes place in the hinterland of cities, many in the north of the country. The cessation of favourable EU trade terms could put those operations at some risk and in turn the city economies around which they are based – particularly as many city regions are exposed to high GVA manufacturing and production jobs. For these cities it will be imperative to understand the degree of exposure and hedge against possible job losses.

What is encouraging as the following trade balance charts show, is that in some regions while there is a negative trade balance on goods with the EU, the trade balance is in surplus on trade with non-EU states.

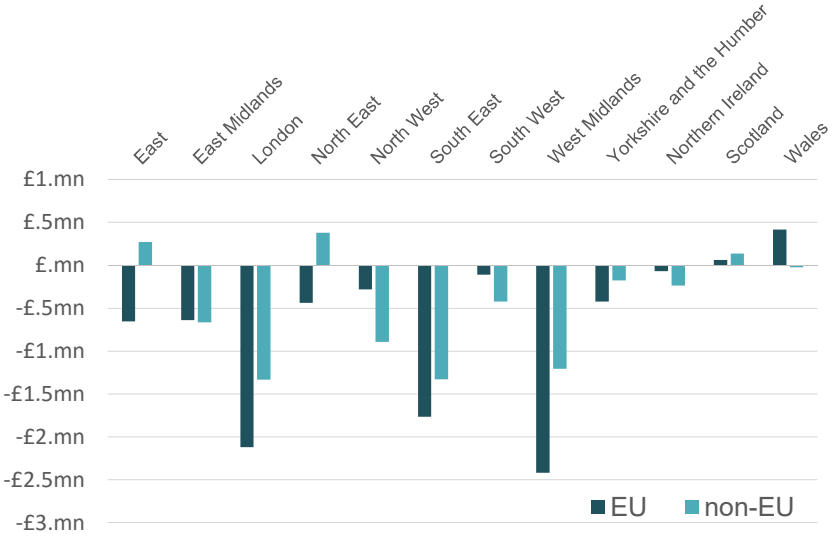
## Balance of Trade Statistics: Food and Beverages



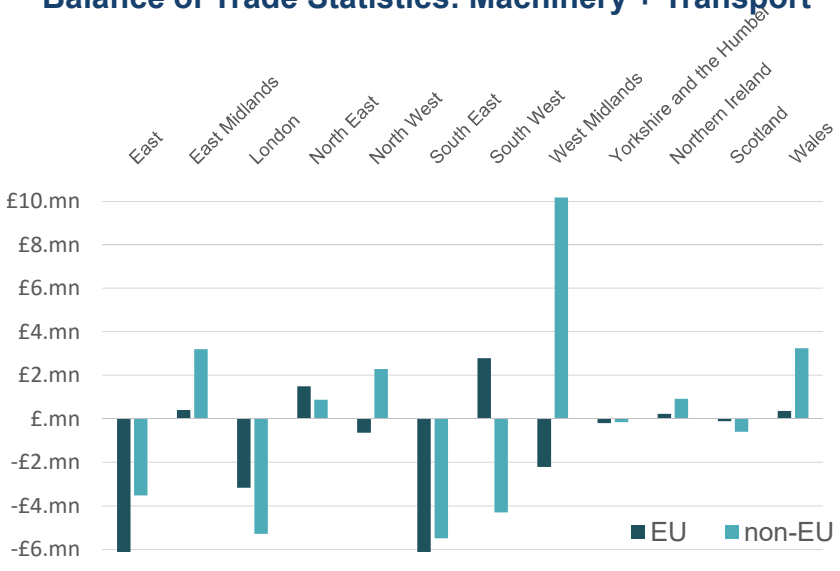

## Balance of Trade Statistics: Raw Materials




## Balance of Trade Statistics: Manufacturing




## Balance of Trade Statistics: Machinery + Transport




Source: Metro Dynamics analysis of Overseas Trade Statistics, HM Revenue & Customs

## Trade in R&D related production

In the last few years, many cities have invested in the creation of significant R&D clusters. These clusters do not depend on the free movement of goods, but the free movement of people. As a by-product of the inward movement of talent, global and European companies locate their research facilities to access leading thinking. As an example, Horiba MIRA is an automotive engineering and consultancy facility located in the West Midlands. The facility provides product engineering, research, testing, information and certification services to the global automotive sector. As testament to its global importance, in 2015 the entire site was purchased by Horiba, a Japanese-owned testing equipment group. Linked to the site physically is a technology park that is now home to scores of UK, European and international automotive-related companies. Cities like Cambridge have long attracted international companies to access the research and people linked to the University as discussed earlier: only last year, Apple set up an R&D facility in Cambridge. The UK's decision to leave the EU could impact on these cities, primarily through possible restrictions on free movement of people. But it should not be forgotten that these are globally competitive facilities and cities, so their ability to continue to attract companies and funding should remain strong.

## Trade in services

While many UK cities have diversified into services, London remains the dominant city for many service sectors – such as the financial, professional, and creative services. Many global financial institutions base themselves in London in order to access the wider EU market through what is termed 'passporting'. This means that any financial services firm that is authorised to conduct business in a European Economic Area (EEA) state is entitled to carry on permitted activities in any other EEA state. Clearly an exit from the EU could prevent global (and British) financial services companies based in London from accessing EU markets, which puts many London-based operations at risk.

On the upside, there are many European financial institutions that sell into the UK market. And many of these companies, particularly European insurance companies, have significant regional offices throughout many cities including Manchester, Birmingham and Leeds. And the UK's decision to leave the EU may strengthen their presence as UK operations would not be subject to Solvency II, the EU legislation that the sector fought hard against. Other services such as the UK's globally-leading advertising industry may not be impeded by the UK's decision. As with financial services they will be frustrated by the inability to hire European citizens, but their competitive position in European and global markets is unlikely to be fundamentally challenged.

## Trade in intellectual property (IP)

The UK has a number of competitive strengths in sectors that essentially sell intellectual property, rather than goods or services. These include the gaming industry, software, artificial intelligence (AI) and film production. As London has increased in cost, many of these sectors have anchored themselves in unexpected cities outside the capital. For instance: there is a significant gaming cluster in Leamington Spa; Bristol is home to documentary film production houses; and there is a burgeoning cluster of virtual reality programming in Hull. For these companies, and the cities in which they are based, the UK's decision to leave the EU could have an impact. It will again impede their ability to recruit European talent. And in these companies, highly technically trained talent is critical to success. As burgeoning sectors, many companies also depend on the infusion of investment and there is some fear that European investment houses will be less inclined to invest in UK companies and this will limit access to sometimes life-saving finance.

To offset this is the fact that the Government has made significant investment in the last few years to support these clusters, and despite the current political uncertainties, commitments that have been made (for instance Regional Growth Funds Round 1 and 2) are likely to be honoured. Furthermore, the UK's decision to leave the EU will not impede the sale or distribution of licenses as they are not covered by EU base legislation as they do not constitute goods.

## What this means for UK cities

Many large UK cities have mixed economies. Some cities may choose to pivot and change existing growth plans to support and defend their economic base. For cities that are organised around the production of goods, significant planning may be required to protect and defend against the potential winds of change. What should make many cities breathe a sigh of some relief is the fact that the offices, production facilities and factories of major European companies (we have used those in the Global 500 for the sake of this analysis) are scattered across the UK. Of all the cities in the UK, London and the South East are by far the most exposed. And while this will not help the many towns and smaller cities that depend on the operations of European corporates to employ talented UK staff, it does help illustrate the fact that the uncertainties are shared across the UK.

## UK operation locations of major European companies


Source: Metro Dynamics in-house spatial analysis

# Impact on the City Devolution programme

The City Devolution agenda has built significant momentum over the last year. In June 2015, the Government called for expressions of interest by cities and functional economic regions interested in devolution. 34 different submissions were put forward. It is not known how many were being seriously negotiated by Government at the time of the Referendum. However, ten separate devolution deals are fairly well progressed. Outlined below are the facts that are known, the legislative process involved, the status of the deals that are currently in train, and the risks to those deals.

## Devolution Legislative Process

The Government's City Devolution agenda, in its current form, can be traced back to the Scottish Referendum in 2014. When Scotland voted to remain in the UK, the Prime Minister announced that alongside proposals for additional devolution to Scotland, Wales and Northern Ireland, it was also "important we have wider civic engagement about how to improve governance in our United Kingdom, including how to empower our great cities."

In parallel, the RSA City Growth Commission developed a plan for devolution to city regions and metropolitan areas that garnered wide support across political parties and within Whitehall. In 2015, the Chancellor trailed the idea of a 'Cities Devolution Bill' to be introduced in the Queen's Speech that year and the Chair of the RSA City Growth Commission, was asked to lead the charge as Commercial Secretary to HM Treasury. This followed on from legislation introduced under the Labour government in 2009 to introduce the concept of Combined Authorities as a way of enabling groups of local authorities to integrate economic development and transport functions across a functional economic area. As promised by the Chancellor, the Government passed the Cities and Local Government Devolution Act in 2016. The Act provided for the introduction of directly-elected mayors who would hold powers in their own right and chair Combined Authorities in England.

The 2016 legislation also enabled the devolution of further powers, including but not limited to housing, transport, planning and policing, on Combined Authorities. It is enabling legislation that provides for a constitutional shift of power from Whitehall to locally-elected Mayors and Combined Authorities. It enables these local bodies to exercise specific powers and oversee budgets that were previously controlled centrally, subject to the agreement of Government. However, the legislation does not make devolution deals automatically binding. Under the terms of the Act, each individual devolution deal requires further secondary legislation to establish the role of Mayor, provide for elections and specify the powers to be devolved to the Mayor and Combined Authority. That secondary legislation also sets out, in headline terms, the way that local decisions will be taken by the Mayor and Combined Authority. These pieces of secondary legislation, Statutory Orders, are subject to consideration and debate by Parliament. In practice each devolution deal that establishes a new Mayor currently requires at least two Statutory Orders, one to establish the office of Mayor (and the Combined Authority if it does not already exist), and the other to confer powers on that Mayor and Combined Authority.

## Devolution Deals

To date, ten cities or counties in England have agreed devolution deals with Government. Nine involve the appointment of a Mayor and one (Cornwall) does not. Mayoral elections in those nine places are likely in May 2017. However, for these elections to be held, the secondary legislation described above will first need to be passed. Parliament has approved all the orders needed to establish the Greater Manchester Mayor and the election of a Mayor in Manchester will go ahead in May. Elsewhere, Statutory Orders to enable the election of Mayors have been laid in Parliament, or will be in the next few days, for the Tees Valley, West Midlands, Sheffield, Liverpool city regions and the North East. In the Autumn, a second round of Statutory Orders are scheduled to be laid for each Devolution Deal. These will set out the detail of powers and funding to be transferred and further details of how local arrangements will work.

It is probable that these Statutory Orders will be passed, and that Mayoral elections in these cities will go ahead in May 2017. However, it is possible that Parliamentary procedure and timetables could be interrupted by the current political confusion.

This in turn could delay the Orders and could impact on either the date of Mayoral elections in the cities or the transfer of powers to those Mayors, or both. It is theoretically possible that a Mayor could be established, and the date of an election set, but that Parliament then fails to approve the transfer of any powers to that Mayor. Were there to be a snap General Election in the next few weeks, Parliament would be dissolved and even if the current governing party were returned to power, it would be very unlikely that the necessary legislation could be passed in time. The table to right outlines the current status of each of the devolution deals.

Given the context of the referendum vote, there are now possible delays in Mayoral elections and devolution deals that cover geographical areas where more than 16mn people live. And there is also a risk that the many civil servants involved in individual negotiations to date will be reassigned to focus on EU negotiations, which in turn would make it harder for devolution deals to secure the attention needed to drive progress.

## Devolution Deal Status as of 1 July 2016

| Devolution Deal | Status as of 1 July 2016 |
|---|---|
| **Greater Manchester Combined Authority** | No further legislation is needed to create the office of the Mayor and deliver the terms of currently agreed current devolution plans. Mayoral elections in May 2017 should continue unheeded. |
| **West Midlands Combined Authority**<br>**Liverpool City Region**<br>**Tees Valley Combined Authority**<br>**Sheffield City Region**<br>**North East Combined Authority** | The Order to establish the office of the Mayor, and to provide for Mayoral elections in May 2017 are before Parliament or will be in the days ahead. But these have not yet been passed. Further Orders to transfer powers and funding will be required in the Autumn. Government is committed to achieving this legislative timetable, but there is a risk that political developments mean that Orders are not approved or do not get Parliamentary time. |
| **East Anglia** | A deal was agreed with Government in March and local councils and LEPs are proposing to implement it through setting up two Mayoral Combined Authorities. Local consultation will take place over the Summer and if agreed by Government then secondary legislation could be passed in the Autumn for elections in May 2017. There is a risk that these deadlines will not be achieved. |
| **Greater Lincolnshire**<br>**West of England** | Proposals for devolution for these areas were included in the 2016 budget and will be subject to local public consultation over the summer. Legislation to establish a Mayor could then follow in the Autumn. There is a risk that these deadlines are not achieved. |
| **Nottinghamshire/Derbyshire**<br>**Leeds** | Devolution proposals have been mooted for these areas, but have not yet been agreed locally or by Government. |

## Devolution investment funds

Under the terms of the devolution deals being negotiated, one of the fundamental components of many of the deals is the creation of Investment Funds that aggregate multiple streams of Government funding, together with additional funding, to create a single city fund that can be used to deliver 30 year programmes of transformational investment. Apart from in Greater Manchester, the setting up of these funds is dependent on the successful progress of the secondary legislation outlined above.

It should be noted that there is £106mn of ERDF funding tied-up in the Cardiff Capital Region City Deal, as a central element of the deal is the completion of the Metro, which has earmarked EU funding. Ensuring that this ERDF funding is protected will be priority for the Cardiff Capital Region.

## Implications of Brexit on City Devolution

Concluding where matters stand in relation to devolution is inevitably speculative at this stage, but some observations can be made.

The funding provided for City Devolution deals is no different to any other government spending. There is therefore no specific reason to believe that funding included in the current devolution deals will be impacted by the Referendum decision. Some devolution deals, such as Cardiff and Glasgow, do stand to be more affected because European funding was included in the deal construct. In the case of Cardiff, the local leaders agreed to £100mn of European funding; the Glasgow City Deal included funding to provide integrated employment support for young people and funding to develop stratified medicine, both of which were underpinned by European funding. In both cases the delivery of the deals must be under some risk until the Government's policy on how these gaps in EU funding will be closed is clear.

The current and previous government have placed particular emphasis on governance change as a precondition to significant devolution. The only exception to this is the Cornwall deal which, uniquely, retains a single upper-tier local authority. Governance change, in particular the creation of elected Mayors, has been the single most controversial part of the City Devolution reforms and some authorities may wish to use the current situation to pause or even reconsider governance change.
If the perceived economic benefits of devolution justified the creation of an elected Mayor in an area prior to the referendum, the economic arguments are even stronger now. The funding made available through devolution, though modest, could provide economic stimulus. Further capital expenditure (which may now be possible as the Government loosened its fiscal targets this week) would be even more welcome and could be administered through Mayoral Combined Authorities to further support devolved areas.

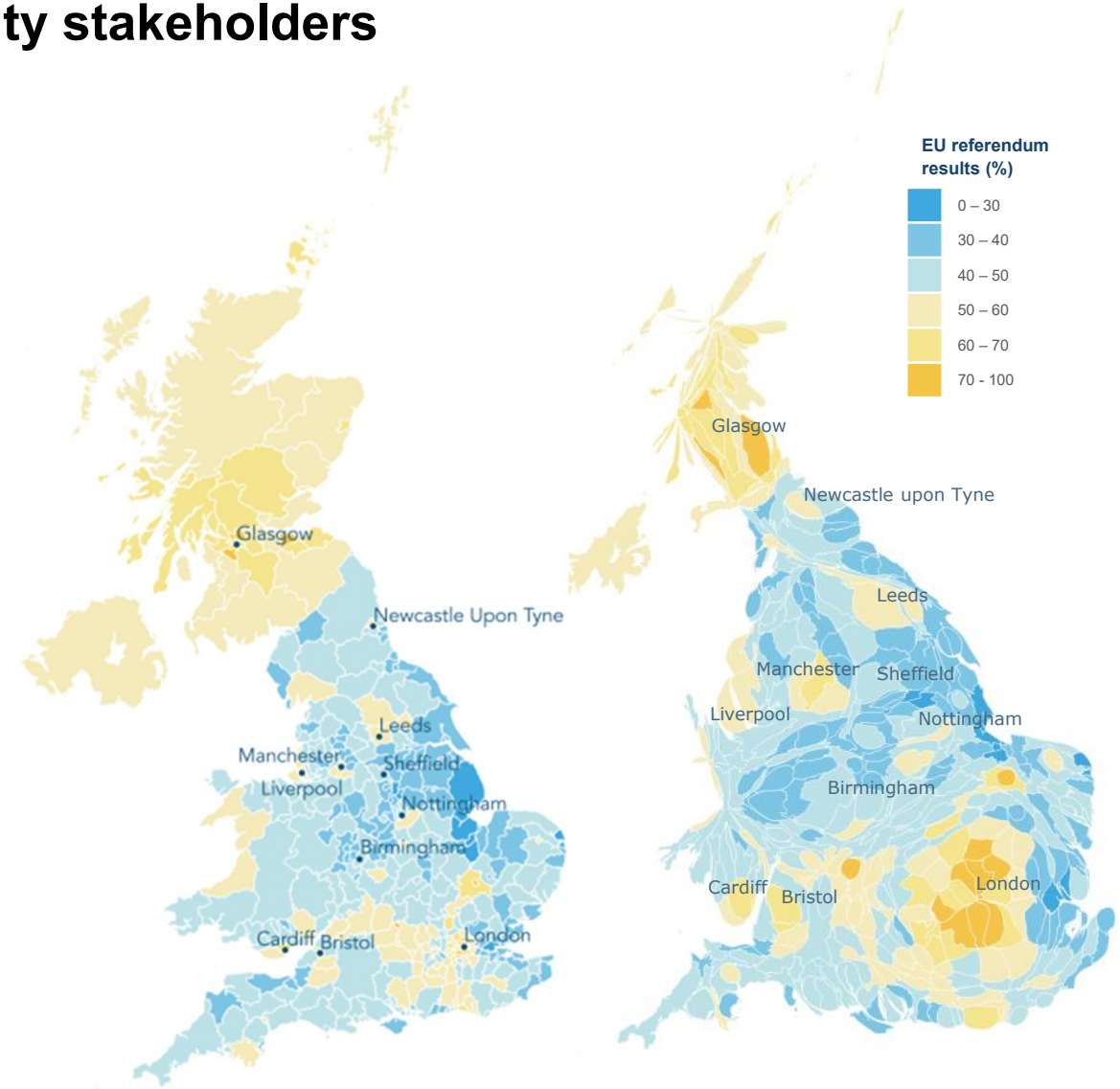
## Cardiff Capital Region and Glasgow City Region Deals

| | Cardiff Capital Region | Glasgow City Region |
|---|---|---|
| **Total Deal Investment** | £1.2bn | £1.13bn |
| **Composition** | Funding over 20 years: £500mn from UK Govt, £494mn from Welsh Govt, £106mn from ERDF, £120mn from CCR Councils | Funding over 20 years: £500mn from UK Govt, £500mn from Scottish Govt, £130mn from Glasgow Councils Funding |
| **Population** | 1.5mn | 1.75mn |

# What this means for city stakeholders

Over the coming weeks those that lead, operate and invest in cities will face a period of unprecedented uncertainty. As discussed earlier the economic impacts on cities could begin to bite quickly as foreign investors delay pending investment decisions. Job losses will follow, although the speed of these losses will vary and depend on the sector of the economy affected. For example, in the London financial services sector, whilst there may be some headline job losses, the pattern is more likely to be gradual as foreign nationals working in London are repatriated over the coming months. For that reason, City of London job losses may not actually appear in the economic data until the 4th quarter of 2016/17. In other cases, it may be the predicted growth in the rate of employment which slows as planned investment is either deferred or cancelled.

Until the EU withdrawal negotiations are completed, the future of EU direct funding will remain uncertain. This is compounded by the political uncertainty that could affect both the timetabling of existing devolution legislation and the viability of extending the City Devolution programme to other cities and regions of England, as scarce Whitehall resources are increasingly drawn into negotiating and planning for the UK's withdrawal from the EU. The outcome of party leadership contests, a potential General Election and possible single party or coalition government outcome scenarios are frankly too complicated and unpredictable at this stage to map.




Source: Metro Dynamics analysis of Electoral Commission data.
Maps for the two city regions are displayed using different spatial scales

It must be acknowledged that changes in the political landscape as seismic as this make the future trajectory of all major government reform programmes uncertain. This holds as much for major reform programmes like Universal Credit as it does for City Devolution.

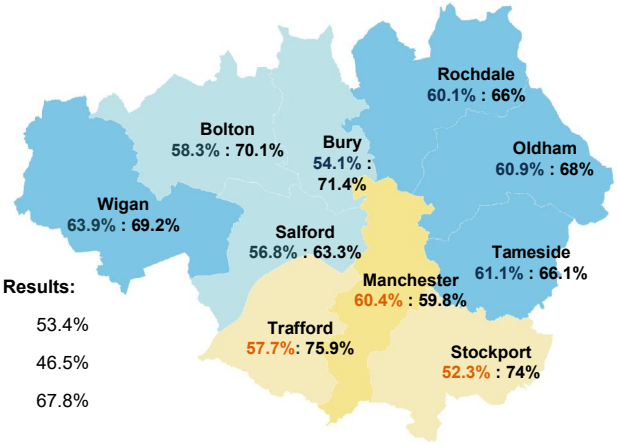
Set out below are some of the implications for UK City stakeholders of this historic set of events.

## Voting Patterns in Cities

It is not possible to fully evaluate the impact of the events of last week on cities without considering  Referendum voting patterns and what they mean for prevailing theories about the UK's cities. At first sight, the voting pattern was relatively consistent across the major cities. The urban city centres in for example, London, Manchester, Cardiff, Glasgow and Newcastle all voted to remain in the EU, which is consistent with what would be expected.

The two maps on the previous page show the difference in voting patterns across the country spatially. The map on the left hand side show the strength of the Leave and Remain vote across the UK geographically. The cartogram on the right hand side has been distorted to reflect the numbers of voters spatially.

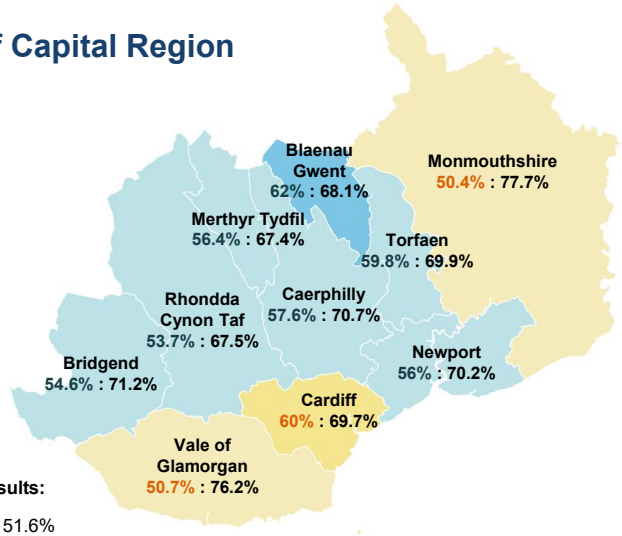
### Greater Manchester Combined Authority




**Overall Results:**

| | |
|---|---|
| Leave | 53.4% |
| Remain | 46.5% |
| Turnout | 67.8% |

### Cardiff Capital Region




**Overall Results:**

| | |
|---|---|
| Leave | 51.6% |
| Remain | 48.4% |
| Turnout | 70.6% |

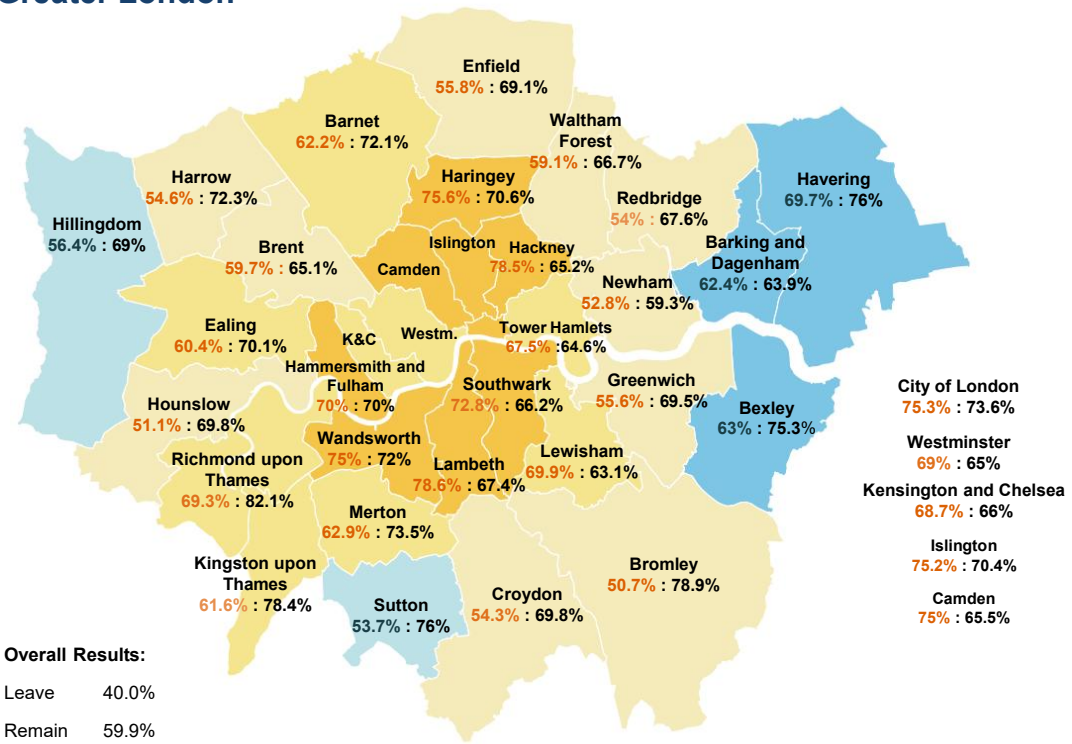
Source: Metro Dynamics analysis of Electoral Commission data.

Areas have been resized according to the total number of votes cast in each area. The map clearly shows that areas of high population density (as indicated by high numbers of total votes) were the areas where the majority vote was in favour of Remain.

This is not surprising as residents who live in cities tend to be more liberal, ethnically diverse and have an urban mind-set. This is particularly the case in cities that have been through a period of regeneration and have attracted in new young residents. People often choose to live in cities to access and live within a more cosmopolitan environment. But as the individual city maps illustrate, the story within major cities is also telling. The degree of support for Remain, outside of immediate urban centres (though in the minority) decreases almost in direct proportion to the distance from the centre. In other words, the further from the centre, the higher the proportion of Leave votes.

In city areas, this voting pattern appears to reflect the socio-demographic profile of city residents spatially. The general pattern is that as the distance from the city centre widens, the educational attainment and earning of residents declines, and as the maps show, so did the propensity to vote Leave.

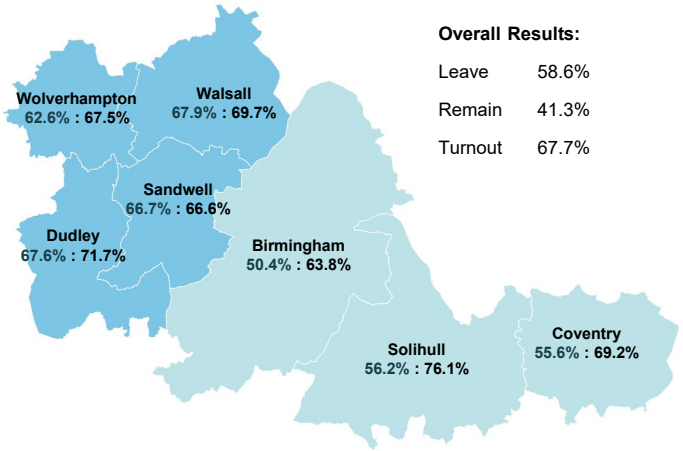
## Greater London




**Overall Results:**

| | |
|---|---|
| Leave | 40.0% |
| Remain | 59.9% |
| Turnout | 69.7% |

## West Midlands Combined Authority



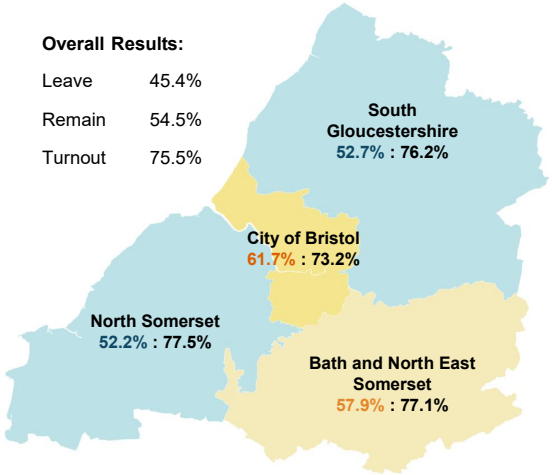

**Overall Results:**

| | |
|---|---|
| Leave | 58.6% |
| Remain | 41.3% |
| Turnout | 67.7% |

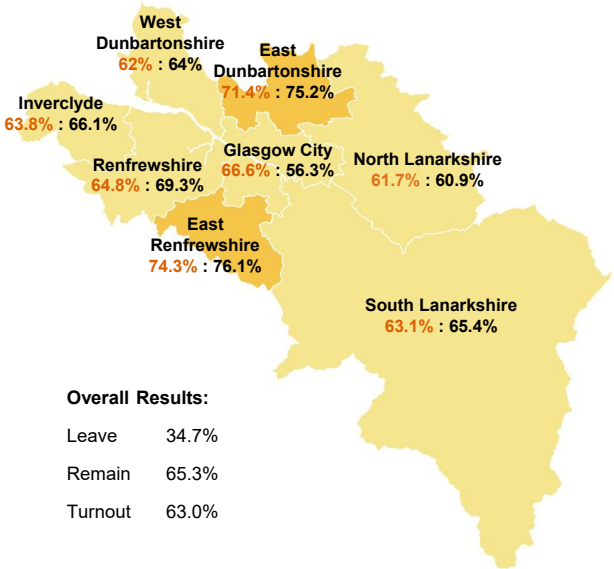
## West of England Combined Authority

**Overall Results:**

| | |
|---|---|
| Leave | 45.4% |
| Remain | 54.5% |
| Turnout | 75.5% |




## Glasgow City Region



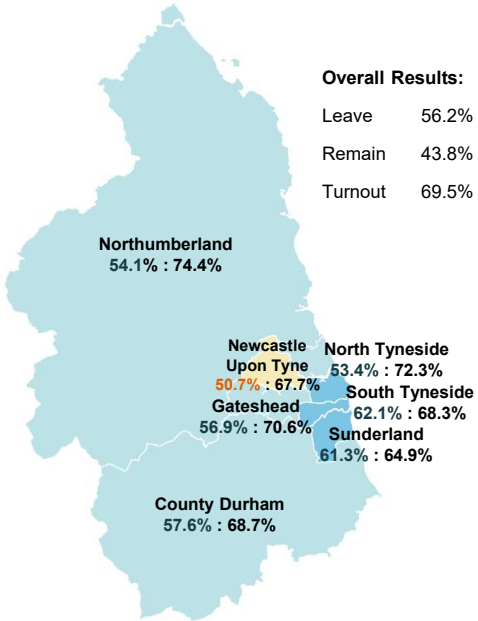

**Overall Results:**

| | |
|---|---|
| Leave | 34.7% |
| Remain | 65.3% |
| Turnout | 63.0% |

## North East Combined Authority

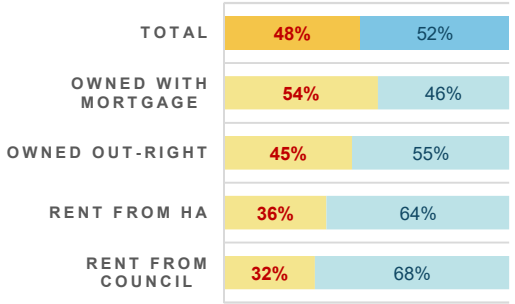
**Overall Results:**

| | |
|---|---|
| Leave | 56.2% |
| Remain | 43.8% |
| Turnout | 69.5% |

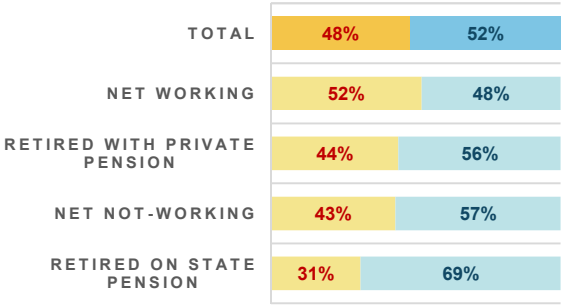


Of great concern though are the divisions which a more studied analysis of voting patterns across the entire country, not just cities, reveal. Polling data released on 24 June 2016[x] suggests there are correlations between specific characteristics and voters' propensity to vote Leave. For example, more than two thirds of people in receipt of state pension intended to vote Leave; whilst two thirds of council and housing association tenants voted Leave. The polling data exposes important divisions in opinion across age group, socio-economic classes, level of education and other classifications.

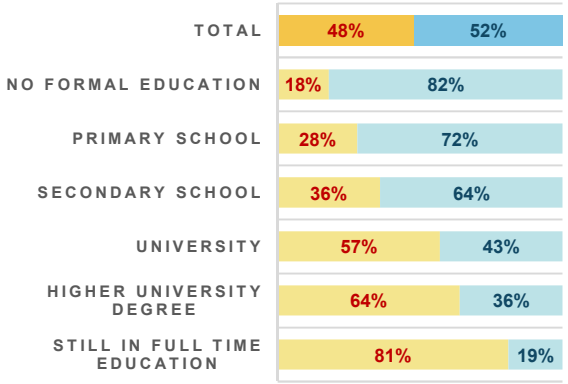
## Voting by tenure type



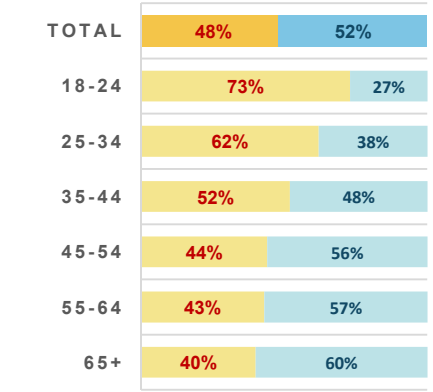

## Voting by working status



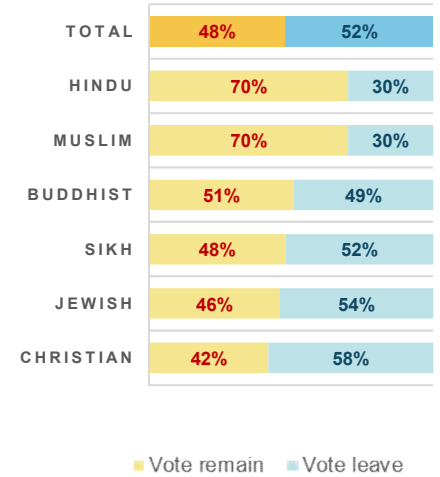

## Voting by level of education




## Voting by age




## Voting by religion




Source: Metro Dynamics analysis of Lord Ashcroft polling data (21st-23rd June)

## Inclusive growth

No doubt the Referendum results and the associated polling will be crawled over in the coming weeks. They are likely to raise two fundamental questions about the UK's accepted theory and policy on cities. The first question is the efficacy of agglomeration economics in UK cities. The theory behind agglomeration economies is that significant benefits are created (economic, financial and social) when firms and people locate near one another in cities and industrial clusters. The theory holds that benefits are derived from transport cost savings and the augmented competitive position of aligning economic purposes across a city region or combined authority. It is this theory that has informed much of the thinking on the Northern Powerhouse and the need for northern cities to link more closely, both physically through better transport links and commercially, by selecting a number of industrial specialisms that can be coordinated across a city. However, the city charts above suggest that to date, the effects of agglomeration are not yet rippling out from city centres across wider city regions. This either means agglomeration theory doesn't hold in the UK (which is unlikely), or cities are not yet reaping the benefits of agglomeration economics. This is not surprising as it takes years, if not decades, for benefits to be created. London is a case in point - it has taken more than thirty years for the benefits of the London's spatial and economic agglomeration to take root. Many UK cities are just at the beginning of this process.

This leads to the second question, which is how inclusive the economic growth in cities has been. The voting patterns provide further evidence for the perception that recent growth in cities has not been shared uniformly. Those who live outside of city centres and wealthier areas are not benefiting directly from economic growth: wages are not increasing, job opportunities are not expanding and social mobility does not feel as possible. Going forward, much more concerted thought and effort is required to find mechanisms to share the proceeds of growth. This applies equally if not more to the corporate sector as it does to the policy makers. That is why the RSA Inclusive Growth Commission has such an important task.

## National politics

It is inevitable that the decision to leave the EU will impact negatively on the UK's public finances over the short-term. As was debated at length during the run up to the Referendum, what the Institute of Fiscal Studies terms the 'mechanical effect', that is the savings the UK will make as a net contributor to the EU, will benefit the public finances. This will be offset by a national income effect, which is generally forecast to be negative. Increased uncertainty, higher costs of trade and reduced FDI are likely to hit tax receipts. In addition, the government will need to consider how to fund a potential funding gap in the National Infrastructure Delivery Plan and replace EU funding streams such as Horizon 2020. All of this suggests that the national accounts will be impacted.

This could open the window to full fiscal devolution to cities. One of the reasons the current and previous governments have not responded to calls for full fiscal devolution is a concern over the detrimental impact it might have on the public finances. For instance, if cities were given the power to retain a proportion of locally produced VAT, it would leave a hole in the national accounts. And under the Coalition's austerity regime, reductions in receipts to the Exchequer would have to have been offset directly by additional reductions in public spending, to maintain the commitments made by the Government. However, in the days since the Referendum vote took place, the Government has been forced to abandon its deficit reduction targets (which aimed to achieve a budget surplus by 2020), which opens the door to greater fiscal flexibility and the possibility of fiscal devolution.

In addition to fiscal devolution, national politicians and Whitehall officials will also need to consider the ongoing approach to the City Devolution agenda. As mentioned earlier, current and previous governments have favoured a highly controlled approach. Cities have negotiated for additional, and to date, fairly limited powers. To mitigate the extensive impact of the UK's withdrawal from the EU, the pace will need to accelerate. Loosening the devolution process and giving cities the power to make their own choices will be critical to this.

## City leaders

The Referendum vote changed the agenda for city leaders across local authorities, Combined Authorities, LEPs and businesses overnight. The drive for investment and inclusive economic growth is now central. City leaders will spend the coming weeks and months taking a city-wide view of the total EU economic exposure: ESIF funding, EIB lending, Horizon 2020, impact on university student numbers and different scenarios of private investment funding, amongst others. Proactive leaders will start discussions with local businesses that trade heavily with the EU to understand the impacts. Work should begin to diversify city economies that are heavily exposed to EU trade in physical goods.

Should the City Devolution programme stall, for the legislative and timetabling reasons identified above, City Leaders should explore alternative ways of driving forward city renewal. There are a range of investment approaches that UK cities have, to date, barely explored. Most cities have yet to leverage the full financial potential of their balance sheets. Many cities have yet to make compelling cases for significant private investment: too often the 'MIPIM approach' is adopted where individual sites are put to the market, instead of a whole-sale vision for a city extending beyond just real estate, which is more likely to attract large and sustained funding to be deployed in partnership with the public sector. Municipal bonds have rarely been used in the UK, despite the establishment of the Local Capital Finance Company . Investment banks have waited patiently for cities to approach with ideas for institutional bonds. There are a raft of funds available to create Social Impact Bonds. In short, for those city leaders who are eager to act, there are a range of possible funding mechanisms outside of Government-funded City Devolution investment vehicles that could catalyse growth.

Alongside this it will be important to deliver investment and city growth in a way that enables residents to feel and see the benefits. The doughnut of affected residents outside of several city centres need to be pulled more tightly into the fabric of the city.

And in some cities, where the vote was consistently Leave, work will be required to ensure growth benefits the entire city population.

## City investors

For investors in UK cities, the concurrence of economic and political events is unsettling. Foreign investors will need assurance that the political situation in the UK will stabilise, and that a future government will support major projects that require ongoing investment. The Sterling exchange rate over the coming months will play an important role in investment decisions.

For UK-domiciled investment funds, the risks are different. As discussed earlier, there are a range of major infrastructure investments that are now in question. They range from HS2 and Hinckley Point, to the 55 different projects that were to be funded by the EIB.

And while the political context puts major infrastructure programmes in question, a raft of solid, smaller prospective projects requiring investment remain unaffected by recent events. The trade-off is they will be smaller in size and this may in turn impact potential returns. But as the Bank of England has heavily hinted, there may be further Quantitative Easing (QE). These additional funds will need to be invested, particularly as further QE will lead to a further erosion of interest rates. It would be imprudent to suggest that all requests put forward by cities will justify investment. However, given the imperative to get current and future investment funds out the door, there will be opportunities for funds, or groups of funds, to create co-ordinated investment portfolios across individual cities or city regions that would make not only a significant impact in those cities, but also healthy returns.

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## Further information

**Metro Dynamics provides strategic advice to those leading, growing or investing in cities and metropolitan areas.**

**The Metro Dynamics team has collectively advised 83 cities in 32 countries. We are experts on city economics, finance, investment, policy, governance and real estate. Our approach is evidential, and underpinned by a deep understanding of the dynamics of cities and metropolitan areas.**

During the coming months, those who lead, operate and invest in cities will require accurate information as it develops, and insight into what that information means. Metro Dynamics will be hosting a series of roundtable discussions with expert speakers and publishing further briefings on specific themes raised by the UK's decision to withdraw from the EU. If you would like to attend one of our roundtable events, or receive future briefings, please register your interest by email to Research@MetroDynamics.co.uk.

If you invest or operate in UK cities and would like to understand in more detail the impact of the Referendum and EU withdrawal on the city(ies) in which you invest or operate, please contact any of the Metro Dynamics directors.

We will be working with cities, counties and other metropolitan areas over the coming months to measure their exposure to the consequences of EU withdrawal, to plan and implement risk mitigation strategies, and to identify opportunities arising from this rapidly changing political and economic environment. If you would like to have a conversation about how Metro Dynamics can help you, please contact any of the Metro Dynamics Directors.





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Metro —— Dynamics

# Cross Party Statement from City of Cardiff Council on the EU Referendum:

The EU referendum has seen Britain choose to withdraw from the EU. This decision, however, must not change our course as we build on our reputation as an inclusive, prosperous, sustainable city and a proud European capital.

This Council – and its partners – are strongly committed to building on Cardiff's history as a city of the world. A city which has welcomed people from across Wales and the globe to come and settle here. A City of Sanctuary.

Cardiff is well known for its inclusivity and harmony, expressing a cultural tolerance and acceptance well ahead of its time. We know our citizens are proud, and rightly so, of the city's reputation as a community of communities.

There are more than 100 languages spoken here and people from more than 100 countries have chosen to settle in Cardiff. Our welcome is what we stand for as a city.

The result is one of the UK's most successful and cosmopolitan cities.

We are committed to building on this success in the future. It is essential that everyone recognises the strength that comes from our diversity and the role it plays in making our city great.

**Cllr Phil Bale - Leader of the City of Cardiff Council and the Labour Group**

**Cllr Neil McEvoy - Leader of the Plaid Cymru Group**

**Cllr David Walker - Leader of the Conservative Group**

**Cllr Judith Woodman - Leader of the Liberal Democrats Group**

# Datganiad Trawsbleidiol gan Gyngor Dinas Caerdydd ar y Refferendwm ar yr UE:

Dewisodd Prydain dynnu allan o'r UE yn y refferendwm ar yr UE. Ond ni all y canlyniad hwn newid ein cyfeiriad wrth i ni adeiladu ar ein henw da fel dinas gynhwysol, ffyniannus, gynaliadwy a phrifddinas Ewropeaidd falch.

Mae'r Cyngor hwn – a'i bartneriaid – yn gwbl ymrwymedig i adeiladu ar hanes Caerdydd fel dinas ryngwladol. Dinas sydd wedi croesawu pobl o Gymru benbaladr a phedwar ban byd. Dinas lloches.

Mae Caerdydd yn enwog am ei chynhwysiant a'r chydlyniad, gan fynegi goddefgarwch diwylliannol a derbyn pobl ers cyn cof. Gwyddom fod ein dinasyddion yn falch o enw da'r ddinas fel cymuned o gymunedau.

Mae dros 100 o ieithoedd yn cael eu siarad yma, ac mae pobl o dros 100 o wledydd wedi dewis ymgartrefu yng Nghaerdydd. Mae ein croeso'n cyfleu yr hyn yr ydym ni fel dinas.

O ganlyniad dyma un o ddinasoedd mwyaf llwyddiannus a mwyaf cosmopolitan y DU.

Rydym yn ymrwymedig i adeiladu ar y llwyddiant hwn yn y dyfodol. Mae'n hanfodol bod pawb yn cydnabod y cryfder sy'n deillio o'n hamrywiaeth a'r rôl sydd ganddo wrth wneud y ddinas hon yn ddinas wych.

**Cllr Phil Bale - Arweinydd Cyngor Dinas Caerdydd a'r Grŵp Llafur**

**Cllr Neil McEvoy - Arweinydd, Grŵp Plaid Cymru**

**Cllr David Walker - Arweinydd, Grŵp Ceidwadwyr**

**Cllr Judith Woodman - Arweinydd, Grŵp Democratiaid Rhyddfrydol**

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# CITY OF CARDIFF COUNCIL
# CYNGOR DINAS CAERDYDD

## CABINET MEETING: 14 JULY 2016

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## CORPORATE ASSET MANAGEMENT PLAN 2016/17

## REPORT OF DIRECTOR OF ECONOMIC DEVELOPMENT

**AGENDA ITEM: 4**

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**PORTFOLIO: CORPORATE SERVICES & PERFORMANCE (COUNCILLOR GRAHAM HINCHEY)**

**Reason for this Report**

1. To enable Cabinet to consider and approve the Corporate Asset Management Plan (CAMP) for 2016-2017.

**Background**

2. In November 2014 the Council, for the first time, adopted a five year Corporate Property Strategy (2015-2020), which set out a framework within which all property related issues can be addressed in a structured manner. The Strategy established clear 5 year targets designed to deliver the objectives relating to Modernisation, Rationalisation and Collaboration. The CAMP is an annual document which serves as the implementation vehicle for the Strategy. The annual targets within the CAMP contribute towards the 5 year targets in the Property Strategy.

3. The CAMP sets out various information and objectives for the operational estate. It sets out key data, reinforces overarching principles for the strategy of the estate, summarises what was achieved the year before, what is planned for the year ahead and provides explicit targets relating to the reduction in the size and cost of the estate.

4. The Council's estate is vast and running the estate is the second highest cost to the Council after staff. The ongoing changes within the Council to the way it delivers services has a strong link to the Council operational property estate and offers opportunity to review the way it operates. This supports the key three themes of the Corporate Property Strategy; Modernisation, rationalisation and collaboration.

5. Operational property is directly managed by the Council either to deliver services to the public through properties such as schools, libraries, leisure centres and day care facilities etc. or to facilitate service delivery via back office, operations and depot facilities. The operational estate consists of:

- 441 operational properties
- Total operational Gross Internal Area GIA (floorspace) over 7,750,016sqft (720,000 sqm)
- 63% of the operational GIA relates to schools
- Maintenance Backlog is estimated at over £100m
- Operational running cost 2015/16 was circa £35m

**Issues**

6. Property asset management is a key strategic activity which aligns service strategies with the property estate. It ensures optimisation of property assets in a way which best supports the organisations business goal and objectives.

7. The requirement for asset management is based on treating property as a corporate resource. The importance of the corporate approach is due to the significant costs and value of the Council estate and its importance in assisting with the delivery of effective Council services. Property can also act as an enabler for service change and modernisation.

8. The overarching principles for the asset management of the Council estate is best summarised in the Property Strategy strapline 'Fewer but better buildings'. The key principles of rationalisation, modernisation and collaboration essentially work towards a smaller, more efficient and fit for purpose modern estate. The targets set out in the CAMP include reducing the maintenance backlog, reducing running costs and generating capital receipts.

9. The CAMP provides a snapshot at a given point in time however, the nature of the property market and changes in demands on services means asset management is a dynamic operation.

10. The targets and end of year achievements for the CAMP 2015/16 are shown below.

| | | Building GIA (sqft) | Maintenance Backlog | Running Cost (14/15) | Capital Receipts |
|---|---|---|---|---|---|
| Achieved 2015/16 | Achieved figure | 274,083 | £4,440,123 | £987,867 | £6,869,352 |
| | Percentage | 3.5 | 4.3 | 2.7 | n/a |
| Reported AMP target 2015/16 | Target figure | 273,549 | £4,300,000 | £1,620,000 | £6,200,000 |
| | Percentage | 3.5 | 4.1 | 4.5 | n/a |

11. In regards to running cost reduction, some transactional delays and review of project timescales resulted in affected properties being moved from the 2015/16 programme to 2016/17. Therefore the proposed revenue savings will still be made however they will be realised at a later date than first anticipated.

12. The new targets for this year's CAMP are:

| | Building GIA (sqft) | Maintenance Backlog | Running Cost (14/15) | Capital Receipts |
|---|---|---|---|---|
| Target figure | 325,651 | £4,500,000 | £1,600,000 | £7,300,000 |
| Target Percentage | 4.2 | 4.3 | 4.4 | n/a |

13. The CAMP will be implemented through the Asset Management Board which is chaired by the Chief Executive. This board provides a strategic and corporate oversite across the Council's objectives. The board is supported by the Asset Management Working Group, a group of senior managers from across various service areas who assess and review opportunities to make better use of the estate in more detail.

14. In addition to the internal Council review of the estate the CAMP will also consider opportunities to work closer with other public sector partners. There will be quarterly meetings with Chief Executives from other public sector bodies which will deliberate ideas to better collaborate and this will be supported with bi-monthly working group meetings with property managers who will deliberate and implement ideas.

15. The CAMP will also align with the Operational Development Programme to ensure a structured approach that aligns with other Council objectives.

**Conclusion**

16. The CAMP sets out objectives and targets for the Council's property estate. The overarching principles being to continuously challenge the estate in order to make it more efficient and modern.

**Local Member consultation**

17. Member engagement will take place throughout the implementation of the plan.

**Reason for Recommendation**

18. To enable Cabinet to consider the 2016-17 asset management progress, objectives and principles.

**<u>Financial Implications</u>**

19. This report has no direct financial implications. Property assets used by the Council influence a significant part of service delivery and also form a large part of the revenue and capital budget of the authority. A sustainable and efficient property portfolio, based on a Corporate Asset Management Plan, will result in savings in expenditure and allow prioritisation of limited resources to assets essential in delivering improved services.

20. The budget report 2016/17 highlighted the need for the Council to make savings in relation to its property estate. The release of property, based on a Corporate Asset Management Plan, will result in savings in revenue

expenditure from the operating costs of holding property. These will contribute towards the additional savings target of £1.25M proposed from office accommodation under the 'Addressable Spend' part of the budget.

21. The budget report has also consistently highlighted the need for the Council to undertake additional borrowing in order to support the Council's Capital Programme. The capital programme includes allocations to address property condition as highlighted in this report, however significant allocations are not affordable and relinquishment of assets can help minimise the backlog and allow the resources that do exist, to be prioritised on assets that are intended to be retained and essential in service delivery.

22. The budget report 2016/17 indicated that within the financial climate of reducing revenue resources it is clear that all necessary actions must be taken to reduce both initial capital expenditure by accelerating a reduction in the Council's asset base within a limited timeframe and also the subsequent need to borrow.

23. The role of the Asset Management Board is key in ensuring strategic and affordable choices are made in relation to property retention, acquisition and disposal, securing holistic solutions which consider both revenue and capital budgets.

24. This report highlights a range of property Initiatives, such as reducing the size of the estate, reducing the maintenance backlog, reducing running costs and generating capital receipts. These initiatives potentially have a range of differing financial implications which will need to be considered in conjunction in Financial Services, as the strategy is implemented. The financial implications of such initiatives will be reported as part of the Asset Management Board arrangements, identified in the report.

25. Properties identified for disposal should be done so promptly in order to minimise revenue costs associated with holding onto surplus property

**Legal Implications**

26. The Council has an obligation to ensure value for money in its management, acquisition and disposal of land and property as public assets

**RECOMMENDATION**

The Cabinet is recommended to approve the attached 2016/17 Corporate Asset Management Plan.

**Neil Hanratty**
Director
8 July 2016

*The following appendix is attached:*

Appendix 1: CAMP 2016-17

# CORPORATE ASSET MANAGEMENT PLAN 2016/17

CARDIFF
CAERDYDD

# CONTENTS

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# 1 EXECUTIVE SUMMARY

In November 2014 the Council adopted a five year Corporate Property Strategy (2015-2020), which set out a framework within which all property related issues can be addressed in a structured manner. The Strategy established clear 5 year targets designed to deliver the objectives relating to Modernisation, Rationalisation and Collaboration.

In 2015/16 the City of Cardiff Council produced its first Corporate Asset Management Plan (CAMP). The CAMP is an annual document which serves as the implementation vehicle for the Strategy and is aligned to the Council's Corporate Plan 2015-2017. The annual targets within the CAMP contribute towards the 5 year targets in the Property Strategy.

This is the second CAMP which sets out the strategic direction for the Council's estate for 2016/17 with explicit targets and objectives for the year ahead. The four key targets are; to reduce the annual running cost of the estate, decrease the maintenance backlog, reduce the size the of the estate and deliver capital receipts.

The Operational Estate comprises assets used to deliver or support Council services. The Strategic Estates Department manage the strategic direction of the estate. The principle of a corporate landlord model is to be further developed through 2016/17 to ensure the Council manage its vast estate in a strategic manner.

The asset management process and achievement of targets is supported by a detailed master schedule of operational property. Each Council owned asset is frequently reviewed to assess whether action is required. This schedule of actions is dynamic and can be subject to regular change due to a range of factors.

The key theme that sets the direction of the estate is the principle of '**Fewer, but better buildings**'. The Council's estate is vast and running the estate is the second highest cost to the Council after staff. The ongoing changes within the Council to the way it delivers services has a strong link to the Council operational property estate and offers opportunity to review the way it operates and is an enabeler for change. This supports the key three themes of the Corporate Property Strategy; Modernisation, rationalisation and collaboration.

**Modernisation**:
The Council is working towards a more modern portfolio of assets which; operate in line with the 21st Century requirements of the Authority, cost less to run and are not in need of costly repair. Last year the Council delivered the Pontprennau School and Central Library Hub, which are great examples of what the estate should look like going forward.

**Rationalisation**:
The Council can reduce the size of its estate through the rationalisation of property in various forms. It can sell surplus assets to generate capital receipts, it can relinquish leasehold interest to make revenue savings, it can lease out properties to generate an income and it can offer assets to the community through the Community Asset Transfer (CAT) route.
2015/16 saw good examples of this approach. The Council sold the former Clare Road Depot which generated a capital receipt and also provided a regeneration opportunity within Grangetown. The YMCA took over the Plasnewydd Community Centre through a Community Asset Transfer, this saved the Council the cost of running the property but still maintained an important community provision in the area.

**Collaboration**:
The wider public sector estate is substantial in Cardiff. The scale and variety of the estate, combined with the vast public sector services being provided from the assets, provides an excellent platform for collaboration. In 2015/16 the Council had many discussions with public sector partners and progressed a wide range of schemes, for example, the new HUB at Llanishen Police Station and the Maelfa development in Llanedeyrn.

To summarise, the Council will continually review and challenge the estate in order to provide a better, more efficient estate that aligns with the Council's vision and change in service needs.

# 1.1 SUMMA

**The table below shows the Corporate Asset Management Plan targets and achievements from 2015/16, and the new targets for the CAMP 2016/17.**

| | CORPORATE ASSET MANAGEMENT PLAN TARGETS | | | CORPORATE PROPERTY STRATEGY 5 YEAR TARGET 2015 - 2020 |
|---|---|---|---|---|
| | 2015/16 | 2015/16 | 2016/17 | |
| | TARGET | ACHIEVED | TARGET | |
| Capital Receipts | £6.2m | £6.8m | £7.3m | **Capital Receipts** Secure £20m capital receipts by 2020 |
| GIA | 3.5% REDUCTION 25,414 sqm 273,549 sqft | 3.5% REDUCTION 25,463 sqm 274,038 sqft | 4.2% REDUCTION 30,254 sqm 325,651 sqft | **Gross Internal Area** (GIA) Reduce the GIA of operational buildings by 15% by April 2020. |
| Running Costs | 4.5% REDUCTION £1,620,000 | 2.7% REDUCTION £987,867 | 4.4% REDUCTION £1,600,000 | **Running Costs** Reduce the running cost of operational buildings by £5m by April 2020 |
| Maintenance Backlog | 4.2% REDUCTION £4,300,000 | 4.3% REDUCTION £4,440,123 | 4.3% REDUCTION £4,500,000 | **Maintenance Backlog** Reduce the maintenance backlog by £20m by April 2020 |

The results show for 2015/16 that the targets for reducing floor space, maintenance backlog and achieving capital receipts were all exceeded. The target for running cost was not met.

In regards to running cost reduction, some transactional delays and review of project timescales resulted in affected properties being moved from the 2015/16 programme to 2016/17. Therefore the proposed revenue savings will still be made however they will be realised at a later date than first anticipated.

# ARY OF TARGETS 2015/16 and 2016/17

# 2 OPERATIONAL ESTATE – 2016/17

## 2.1 OBJECTIVES FOR 2016/17

The objectives and work streams set out in the CAMP directly align with the Corporate Property Strategy 2014, the Corporate Plan and the Organisational Development (OD) Programme. The monthly Asset Management Board, chaired by the Chief Executive, monitors the progress of the CAMP objectives throughout the year. The three key themes in delivering the objectives are: Modernisation, Rationalisation and Collaboration.

### MODERNISATION

This involves improving the quality of the Council's estate through a programme of investment to provide modern, fit for purpose and sustainable buildings with a low carbon footprint. Modern buildings will improve service delivery, customer satisfaction and staff morale; in addition to reducing the running cost of the estate and the maintenance backlog.

Modernisation typically results from significant capital investment in properties the Council wishes to retain and deliver services from over the medium to long term. Recent examples include Hubs such as Central Library Hub and Grangetown HUB.

The Schools Organisational Plan (SOP) is the biggest driver for modernisation within the Council. The 21st Century schools programme is investing significantly on an annual basis to ensure fit and modern school facilities are provided. The latest example is the new school Pontprennau Primary, which is a community school serving the wider populous of the area.

Vital to all modernisation projects is the investment of capital. The CAMP details an annual capital target that is then attributed to the required projects as agreed by Cabinet. This ensures a sustainable approach to modernisation and also contributes to the Rationalisation objective.

### RATIONALISATION

This is the process of reducing the number of buildings managed and operated by the Council to reflect the continually changing service requirements of the organisation. Rationalisation is perhaps the single most important element of the CAMP due to the impact it has on the size of the estate (Gross Internal Area), running cost (revenue), maintenance backlog and capital receipts targets. By disposing of assets either through freehold or leasehold disposal, the Council immediately alleviates itself of the running cost, the floor space, the maintenance backlog and if the property is sold, also receives a capital receipt.

Each year the Strategic Estates Department (SED) together with service areas review the estate to understand property asset performance and requirements.

2016/17 will see continued review of the office estate through the Office Rationalisation programme, and also a review of the Council's depot estate. The delivery of these projects will again focus on ensuring the Council operates '**fewer but better buildings**'.

### COLLABORATION

This involves improving the way the Council works with public sector partners to join-up service delivery where possible and make better use of each other's estate. Strategic Estates are creating strong links with other public sector partners to continually develop new ideas and initiate new projects.

As the pressure on Public Sector budgets continues, it is increasingly important to explore the opportunities afforded by partnership working with other organisations. The City of Cardiff Council has forged strong ties with partners such as the University Health Board, Cardiff University, The South Wales Fire & Rescue and Police Services, Cardiff and Vale College and also Cardiff Third Sector. Collaboration is an opportunity for organisations to share space, costs and resources to ensure services remain at a high standard and at affordable cost. Collaboration projects aim to reduce the overall footprint of the public sector estate, the running cost of the estate and the maintenance backlog. There are also opportunities to sell or lease space from one another to make savings to the public purse.

The Partnership Asset Management Board is held on a quarterly basis and compliments the Council Asset Management Board. The purpose of the Board is to share and explore collaborative opportunities across the city between public sector bodies and work towards deliverable solutions. Recent collaboration projects include Ely and Caerau Hub, Llanishen Police station Hub and the Maelfa redevelopment.

## 2.2 CORPORATE REAL ESTATE IT SOLUTION

The ability of the Council to manage its extensive property estate is largely underpinned by access to accurate and up-to-date information. Recent internal and external audits have established that the Council's existing property systems are disparate in nature and in some instances reaching end of life. There is now a pressing need to implement a new fit for purpose property data infrastructure that is capable of underpinning the requirements of the Asset Management Process.

An OD project has been established within Assets and Property to determine a solution. Once implemented, the Council will have ready access to information and reports that presently require hours of manual work to prepare, freeing officer time to implement CAMP targets and undertake daily property management duties.

An essential requirement of the project is to ensure effective links with Asset Accountancy and to ensure the agreed solution is suitably "future proofed" and able to broaden in scope over time.

The Outline business case for the project was approved in 2015 by the Investment Review Board (IRB). The full business case is to completed and presented to IRB in summer 2016.




Operational property is directly managed by the Council either to deliver services to the public through properties such as schools, libraries, leisure centres and day care facilities etc. or to facilitate service delivery via back office, operations and depot facilities.

## Summary

- 441 operational properties
- Total operational Gross Internal Area GIA (floorspace) over 7,750,016sqft (720,000 sqm)
- 63% of the operational GIA relates to schools
- Maintenance Backlog is estimated at over £100m
- Operational running cost 2015/16 was circa £35m

**Number of operational properties**
For the purposes of the CAMP the operational portfolio is divided into use categories: Offices and Operations, Community Buildings and Schools. This table shows the total number of operational buildings divided into use types.

| Property type | number | % |
|---|---|---|
| Offices & Operations | 107 | 24 |
| Community buildings | 148 | 34 |
| Schools | 186 | 42 |
| TOTAL | 441 | |

**Total Maintenance Backlog**
The operational estate has a considerable maintenance backlog in excess of £100m. As of April 2016 the backlog is apportioned:

| Priority Rating | Cost of Works |
|---|---|
| Priority 1 | £8,120,831 |
| Priority 2 | £55,167,559 |
| Priority 3 | £37,407,888 |
| TOTAL | £100,696,278 |

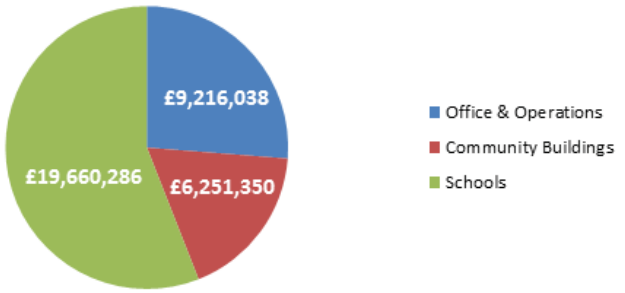
This is the estimated cost required to restore the existing portfolio to a first rate condition. All works are attributed a priority rating which describes the urgency of repairs.

- **Priority 1** = Urgent/Immediate works.
- **Priority 2** = Works will become urgent/immediate within 2/3 years unless actioned.
- **Priority 3** = Satisfactory at present but condition likely to worsen if left unresolved.

# SUMMARY OF OPERATIONAL ESTATE

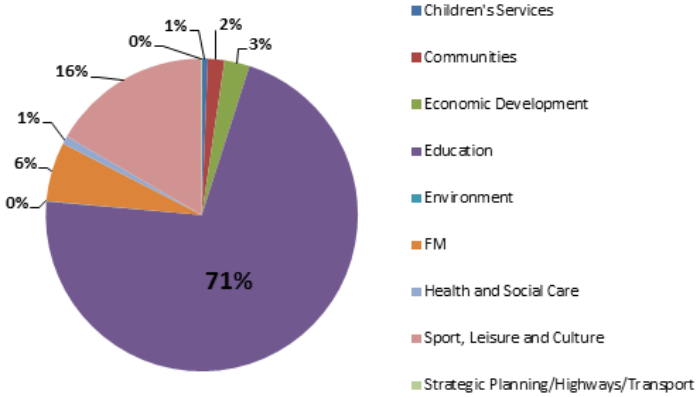
**Total Running Cost 2015/16**
The running cost of the estate in 2015/16 divided by property use category.

**TOTAL= £35,127,674**



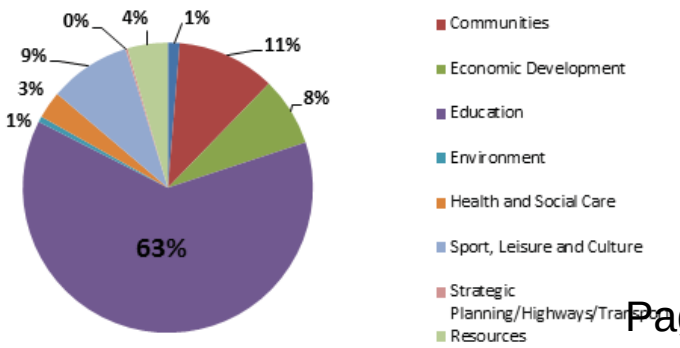

**Total Maintenance Backlog by Service Area**
The property maintenance backlog divided by responsible service area/department.

**TOTAL= £100,696,278**




**Operational estate by Service Area**
Council property is allocated a service area to deliver specific services. The graph shows the percentage floor area, or Gross Internal Area (GIA) that each managing service area/ department is responsible for.

**TOTAL= 701,360 sqm**




# 2.4 WHAT WE SAID WE WOULD DO

**Total impact of the Office and Operations properties towards 2015/16 CAMP targets.**

| Floor space reduction (sqft) | Maintenance Backlog reduction | Running Cost reduction | Capital Receipts received |
|---|---|---|---|
| 72,918 | £1,248,155 | £351,624 | £680,750 |

# IN 2015/16

## OFFICE AND DEPOTS 2015/16

The office portfolio has been subject to the ongoing Office Rationalisation project for a number of years as well as other service area instigated moves.

The core objective of Office Rationalisation is to reduce the number of office buildings the Council operates and consolidate staff into the core offices, County Hall and Wilcox House.

Office Rationalisation continued to focus on the retention of good quality freehold properties and the active relinquishment of non-essential leasehold premises.

The adoption of new agile working methods this year within County Hall following the Social Services move from Global Link has resulted in a more efficient use of office space. Mobile devices facilitate a hotdesking philosophy negating the need for 1-1 desk ratios.

A new Depots project was added to the OD programme in 2015/16. This focuses on the Council's city wide depot facilities with the purpose of determining the best utilisation of assets to deliver services.

The Office and Depots estate summary 2015/16 is shown below.

| Property | Ward | Intended Action | Result | Tenure |
|---|---|---|---|---|
| **Carnegie Centre, St David's House, Wood Street** | Cathays | Vacate and relinquish lease | Property vacated and Service relocated | Leasehold |
| **Alexander House, Excelsior Road** | Gabalfa | Vacate and relinquish lease | Property relinquished and Service relocated | Leasehold |
| **Traffic Wardens Office, 47 Landore Court** | Cathays | Vacate and relinquish lease | Property relinquished and Service relocated | Leasehold |
| **Global Link, Dunleavy Drive** | Grangetown | Vacate and moth ball property | Part vacated. Full vacation due in 2016/17, pending assignment of lease | Leasehold |
| **Mynachdy Centre Office Accommodation** | Gabalfa | Vacate and mothball property | Vacation due in 2016/17 | Freehold |
| **Howardian Office Accommodation** | Penylan | Vacate and moth ball property | Vacation due in 2016/17 | Freehold |
| **Bessemer Close site 1 - Procurement and Supplies Depot** | Grangetown | Dispose site | Property vacated. Disposal due in 2016/17 | Freehold |
| **Bessemer Close site 2A - Schools Maintenance Depot (DSU)** | Grangetown | Dispose site | Property vacated. Disposal due in 2016/17 | Freehold |
| **Bessemer Close site 2B - Terrapin Building (General Fund)** | Grangetown | Dispose site | Property vacated. Disposal due in 2016/17 | Freehold |
| **71 Bridge Street** | Cathays | Added in year | Received initial down payment prior to full disposal in 2016/17 | Freehold |
| **Clare Road Depot** | Grangetown | Dispose site | Property sold | Freehold |
| **Brindley Road depot, Leckwith** | Grangetown | Added in year | Property and Land sold. | Freehold |
| **Depot review** | City Wide | Added in year | Project initiated to review Council depots | Freehold |

### Achievements 2015/16

In regards to future revenue savings, the Council was able to progress negotiations in 2015/16 to assign the lease interest of Global Link to a third party. This transaction is yet to be completed but it is anticipated to complete in 2016/17 which will be a significant saving.

An Agile working business case was implemented in 2015/16 within the Social Services directorate. The purpose of the project was to modernise the way the service operates through the use of mobile devices and touchdown points. This resulted in a reduction in required office space and accommodation cost. The initiative is in its infancy however early analysis suggests that the staff and service are benefitting greatly from the new approach.

The success of the project will likely see implications for how Cardiff operates its core office space on a more corporate level.

The possibilities for rolling out an agile approach to all Council office based teams is to be explored in more detail through 2016/17.


**Total impact of the Communities properties towards 2015/16 CAMP targets.**

| Floor space reduction (sqft) | Maintenance Backlog reduction | Running Cost reduction | Capital Receipts received |
|---|---|---|---|
| 100,611 | £942,600 | £631,243 | £460,000 |

# COMMUNITY BUILDINGS 2015/16

Community Buildings are property assets the Council uses to provide public services and facilities. The Council operates a wide variety of community services from dedicated properties.

Community properties are managed by various service areas and are subject to different priorities, budgets and processes. During the pre-budget consultation in 2014/15 the concept of Community Asset Transfers was introduced for surplus community assets and services. This initiative was again a key focus in 2015/16 as local interested groups continued to express interest in taking on Council Community assets the Council will not operate directly in the future. These expressions are managed at fortnightly steering group meetings and weekly CAT Board meetings.

**Achievements 2015/16**

**HUBs:** The provision of community Hubs is a key Council strategy. Hubs ensure citizens will be able to access the services they need in the way they want to, through joined up services and closer working between the Council and its partners.

In total 12 neighbourhood community Hubs are to be established throughout the city. 6 Hubs have already been successfully delivered and are in full operation, providing a variety of services to the local community. A further 6 Hubs are in the process of being established, opening throughout 2016/17 and 2017/18.

The opening of Central Library HUB and Grangetown HUB were both extremely successful during 2016/17 with positive reception from local residents and consistently high footfall. The St Mellons phase 1 extension was completed and opened to the public. The works at Fairwater Hub progressed as planned and the Hub is scheduled to re-open in early May 2016.

**Community Asset Transfers (CATs):** The ongoing review of community assets has resulted in a series of properties being made available for Community Asset Transfer from across the Communities portfolio (Libraries, Play Centres, Youth Centres, Community Centres). The affected properties are in various stages of completion and are progressed by the CAT Board on a weekly basis. It is anticipated that further CAT relevant properties will be brought forward in 2016/17 and this will continue to be a critical work stream throughout the year.

**Leisure Centres and Venues:** The procurement processes for both Leisure Services and the Arts venues have proceeded during the year. With regard to Leisure a call for final tenders from the two remaining bidders has been made with an expected Cabinet report in late July 2016.

With regard to the Arts Venues, final dialogue is taking place with the remaining bidder with a Cabinet Report scheduled for autumn 2016.

The outcome of this exercise is likely to have a significant impact on the performance of the estate in future years in regards to operational floor space, maintenance backlog and running costs.

**Play Centres:** In 2015/16 Cabinet approved a new model for delivering Play Services. The Council will not be reliant on owning or leasing dedicated facilities in the future, rather the new model will focus on the use of shared community facilities with local partners and also the Schools estate.

All the existing Play Centres have been subject to Community Asset Transfer interest to ensure they maintain a community role, with the exception of Llanrumney Play Centre for which there is currently no interest at all.

**Sports and Leisure facilities:** A review was instigated in 2015/16 relating to Sports and Leisure assets such as changing rooms and bowls pavilions. The results of the review and a strategy for operating this element of the estate will be presented to Cabinet in 2016/17. There is potential for selected assets to be advertised for community interest (e.g on a licence to occupy basis). Properties such as Grange Gardens Bowls Green & Pavilion and Llwynfedw Gardens Bowls Pavilion have been subject to ongoing CAT negotiations with interested groups.

**Youth Centres:** The Youth Services function has been remodelled in recent years with renewed focus on delivering Youth Services in areas where demand is highest. Retained Youth Centres have seen reinvestment and concentration of resources. Surplus assets have either been proposed for Community Asset Transfer or in some cases, been taken on operationally by the adjacent school to deliver additional teaching space.

**Day Centres:** A Day Centre review in 2015/16 resulted in a Cabinet decision to retain Minehead Road, Fairwater and Grand Avenue Day Centres. Resource is to be allocated to ensure the properties are suitable to deliver good quality services..

The Communities estate summary 2015/16 is shown below.

| Property | Ward | Intended Action | Result | Tenure |
|---|---|---|---|---|
| **Butetown Hub, Loudoun Square** | Butetown | Continued investment | A small hub facility has been provided in the multi-functional Loudoun building offering a range of housing, advice and information services | Leasehold |
| **Ely & Caerau Hub (Jasmine Centre) , Cowbridge Road West** | Caerau | Pursue phase 2 expansion opportunities | The Hub has been very successful in bringing Council and partner provides services together under one roof. Phase 2 proposals progressing with public sector partners | Freehold |
| **Former City Centre Hub, Marland House** | Cathays | Dispose site | Hub relocated to Central Library. Marland House to be demolished | Freehold |
| **Central Library, City Centre Hub** | Cathays | Adaption to City Centre HUB | City Centre HUB established. Wide range of Council and partner services provided from second floor of Central Library in the City Centre | Freehold |
| **Grangetown Hub, Havelock Place** | Grangetown | Continued investment | The new hub opened to the public in January. Strong community support, with 5036 customers in the first 2 weeks | Freehold |
| **Llanrumney Library & Hub, Countisbury Avenue** | Llanrumney | Continued investment | Upgraded through a refurbishment project, allowing a greater range of services to be provided. Customer feedback shows high levels of satisfaction with the improved facilities | Freehold |
| **Powerhouse Hub (Llanedeyrn NLC)** | Pentwyn | Secure approval to proceed | Extension to existing Powerhouse Community Centre. Accommodation for SWP on first-floor. Scheme currently being tendered | Freehold |
| **Rumney Hub, Llanstephan Road** | Rumney | Continued investment | Hub opened to the public in November 2015 | Freehold |
| **St Mellons Library & Hub, Crickhowell Road** | Trowbridge | Continued investment | Two phase extension to existing library Hub. Phase 1 completed in Jan 2016 | Freehold |
| **Fairwater Hub (former library)** | Fairwater | Continued investment | Fairwater Library is currently being improved and adapted to accommodated a wider range of Hub services. Works include the creation of additional community, training and interview rooms | Freehold |
| **Llandaff North & Gabalfa Hub** | Llandaff North | Secure approval to proceed | Refurbishment and conversion of Llandaff North library and Gabalfa day centre into Hub approved. Construction due Dec 2016 | Freehold |
| **Llanishen Hub** | Llanishen | Secure approval to proceed | Plans for ground-floor of Llanishen Police Station to be converted into a Hub, due to open in spring, 2017 | Freehold |
| **STAR Hub, Splott Park** | Splott | Continued investment | New Hub currently under construction at Splott Park, bringing together community and leisure services into a single facility | Freehold |
| **Maes-y-coed Community Hall, Maes-Y-Coed Road** | Heath | Complete Community Asset Transfer | CAT due in 2016/17 | Freehold |
| **Plasnewydd Community Centre, Shakespeare Street** | Plasnewydd | Complete Community Asset Transfer | CAT completed to YMCA | Freehold |
| **Pentrebane Community Centre, Beechley Drive** | Fairwater | Complete Community Asset Transfer | CAT completed to Pentrebane Zone | Freehold |
| **Pentwyn NLC (The Dome), Bryn Heulog** | Pentwyn | Service Area review | Site disposed | Freehold |
| **Old Library, City Centre** | Cathays | Pursue conversion to Welsh language HUB | Welsh language HUB established | Freehold |

| | | | | |
|---|---|---|---|---|
| **Howardian Youth Centre, Hammond Way** | Penylan | Redevelopment | Redevelopment to comence in 2016/17 plan | Freehold |
| **Pontprennau Community Centre, Heol Pontprennau** | Pontprennau & Old St Mellons | Redevelopment | Establishment of new Community School | Freehold |
| **Former Caerau Library and Community Centre, Bishopston Road** | Caerau | Service Area review | Disposal proposed for 2016/17 | Freehold |
| **Branch Library properties** | City Wide | Reshape service where appropriate | Retain local library services | Freehold |
| **Play Centre properties** | City Wide | Determine future provision requirment | New service operating model to be implimented in 2016/17. CAT discussions progressed on a variety of sites | Freehold |
| **Youth Centre properties** | City Wide | Pursue CAT interest | CAT discussions progressed at Dusty Forge. Selected properties to be used for operational school purposes | Freehold |
| **Day Centre properties** | City Wide | Determine future provision requirment | Cabinet approval obtained to invest in Minehead Rd, Fairwater and Grand Ave Day Centres | Freehold |
| **Leisure Centres** | City Wide | Progress procurement project | Procurement project to be finalised in 2016/17 | Freehold |
| **Venues** | City Wide | Progress procurement project | Procurement project to be finalised in 2016/17 | Freehold |
| **All Sports Facilities (Pavilions & Changing rooms)** | City Wide | Determine future provision requirment | Service review proposals to be presented to Cabinet in 2016/17 | Freehold |

**Total impact of the Schools properties towards 2015/16 CAMP targets.**

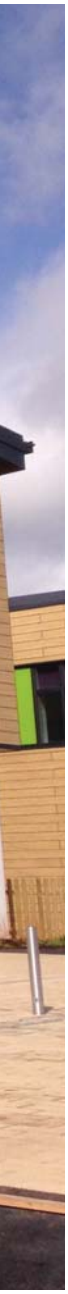
| Floor space reduction (sqft) | Maintenance Backlog reduction | Running Cost reduction | Capital Receipts received |
|---|---|---|---|
| 100,554 | £2,249,368 | £5,000 | £235,860 |

# SCHOOLS PROPERTIES 2015/16

Continued investment and modernisation of the schools estate is a major part of the Councils Investment Plan. Schools constitute the biggest part of the Council's property estate.

As of April 2016 SOP has completed 13 Projects at £43m and committed a further 5 Projects at £49m which are either onsite or at design stage.

The SOP impact on the Council's property estate in 2015/16 is shown below.



| Property | Ward | Type | Intended Action | Result | Tenure |
|---|---|---|---|---|---|
| **New High School in the West** | Ely / Caerau | High School | Develop a new High School in the west to replace both Michaelston College and Glyn Derw High | Local consultation completed and Glyn Derw site selected as location of new 8 form entry High School | Freehold |
| **Llanedeyrn High School Site, Round Wood** | Pentwyn | High School | Demolish High School for use as St Teilo's pitches | School demolished, new St Teilo's pitches to be created | Freehold |
| **Fitzalan High School** | Canton | High School | Develop new science block | New science block completed | Freehold |
| **New Primaries for the Butetown, Grangetown, Riverside and Canton areas** | Butetown, Grangetown, Riverside and Canton | Primary Schools | Develop a 2 form entry Welsh Medium and 2 form entry English Medium Primary | New site acquired at Hamadryad Hospital for construction of new 2 form entry Welsh Medium School | Freehold |
| **New Primary School for Splott and Adamsdown** | Splott and Adamsdown | Primary School | Develop a 2 form entry Primary School | New Primary School to be built on the Maltings site in Splott | Freehold |
| **New Primary School for Llandaff North** | Llandaff North | Primary School | Develop a 2 form entry Primary School | Design commenced for 2 new x 1 form entry schools on existing site to replace current buildings, as a 'back to back' building so that hall and other spaces can be shared by both schools. | Freehold |
| **Pontprennau Primary School** | Pontprennau | Primary School | Complete construction of new community focussed Primary School | New Primary School completed incorporating Pontprennau Community Centre. Opened Sept 2015 | Freehold |
| **Millbank Primary School** | Caerau | Primary School | Investment to improve teaching space and quality of facilities | Large extension to existing school to provide new hall and admin facilities. Also refurbishment of all classrooms | Freehold |
| **New English Medium Primary for Cyncoed, Penylan and parts of Roath** | Cyncoed, Penylan and parts of Roath | English Medium Primary | Develop a 2 form entry English Medium Primary | Approval obtained to build new Primary School on existing Howardian site | Freehold |
| **Adamsdown Primary School** | Adamsdown | Primary School | Seek approval to ensure 2 form entry provision and Nursery facilities | Remodelling project approved to deliver 2FE & Nursery unit. | Freehold |
| **Coed Glas Primary School** | Llanishen | Primary School | Consolidate to 2.5 form entry | Consolidation of 2.5 form entry achieved | Freehold |
| **Ysgol y Wern** | Llanishen | Primary School | Consolidate to 2.5 form entry | Consolidation of 2.5 form entry achieved | Freehold |
| **Former Hawthorn School,** | Llandaff North | School | Added in year | Deferred part payment following disposal in 2012 | Freehold |
| **Grangetown Caretakers House** | Grangetown | Caretakers House | Dispose via auction | Disposal moved to 2016/17 plan | Freehold |
| **Herbert Thompson Caretakers House** | Ely | Caretakers House | Dispose via auction | Disposal moved to 2016/17 plan | Freehold |
| **Howardian Caretakers House** | Penylan | Caretakers House | Dispose via auction | Sold via auction | Freehold |

# OTHER DISPOSALS 2015/16

Generating capital receipts from disposals is a key component of the Council's budget. Receipts are essential in order to secure investment into new facilities and to modernise the estate.

Various surplus sites were disposed during 2015/16, sites vary from large development disposals that are planned years in advance, to smaller plots of land that may be brought forward for disposal during the year.

| Property | Ward | Intended Action | Result | Tenure |
|---|---|---|---|---|
| **Hamadryad Hospital Easement** | Butetown | Added in year | Premium received to implement easement | Freehold |
| **Dorothy Lewis Home, Canton Court** | Riverside | Added in year | SOLD | Freehold |
| **RAFA Club** | Ely | Added in year | SOLD | Freehold |
| **Unit 38 Brindley Road** | Grangetown | Added in year | SOLD | Freehold |
| **The Medicentre** | Heath | Added in year | SOLD | Freehold |
| **Land North of County Hall** | Butetown | Dispose site | SOLD | Freehold |
| **Johnston Buildings Site (former), John Street** | Butetown | Dispose site | SOLD | Freehold |
| **Bayscape land - Phase 1** | Grangetown | Added in year | SOLD | Freehold |
| **Brindley Road surplus land** | Grangetown | Dispose site | SOLD | Freehold |
| **Leckwith Coach Park site** | Grangetown | Added in year | SOLD | Freehold |
| **Land adjoining, Lamby Way Workshops** | Rumney | Dispose site | SOLD | Freehold |
| **Land at Hadfield Close** | Grangetown | Dispose site | Land retained for operational use consideration | Freehold |
| **261a Allensbank Road** | Cathays | Added in year | SOLD | Freehold |
| **59 Grand Avenue** | Ely | Added in year | SOLD | Freehold |
| **Ifor Jones Court Hillrise** | Llanedeyrn | Added in year | SOLD | Freehold |
| **141 Pen-y-Dre** | Rhiwbina | Added in year | SOLD | Freehold |

**Total impact of other disposals towards 2015/16 CAMP targets.**

| Floor space reduction (sqft) | Maintenance Backlog reduction | Running Cost reduction | Capital Receipts received |
|---|---|---|---|
| **n/a** | **n/a** | **n/a** | **£5,492,742** |

This table shows the targets for 2015/16 and the actual achievements.

| | Floor space (sqft) | Maintenance Backlog | Running cost reduction | Capital Receipts |
|---|---|---|---|---|
| **2015/16 End of year result** | **274,083** | **£4,440,123** | **£968,605** | **£6,869,352** |
| **2015/16 End of year result %** | **3.5** | **4.3** | **2.7** | **n/a** |
| **2015/16 AMP reported Target** | **273,549** | **£4,300,000** | **£1,620,000** | **£6,200,000** |
| **2015/16 AMP reported Target %** | **3.5** | **4.1** | **4.5** | **n/a** |

The results show that the targets for reducing floor space, maintenance backlog and achieving capital receipts were all exceeded. The target for running cost was not met.

The annual Asset Management programme for property moves, relinquishments and disposals is a dynamic process and subject to change throughout the year.

In regards to running cost reduction, some transactional delays and review of project timescales resulted in affected properties being moved from the 2015/16 programme to 2016/17. Therefore the proposed revenue savings will still be made however they will be realised at a later date than first anticipated.

## Capital receipt allocation

- The anticipated capital receipt figure for 2015/16 was £6.2m
- £4.5m was to be reserved for Capitalisation Direction
- £1.7m was to be ring-fenced for other Council projects and initiatives.

As of end 2015/16;

- £3.6m was secured for Capitalisation Direction
- £3.3m was secured for ring-fenced for other Council projects and initiatives.

# 2.5 END OF YEAR RESULTS 2015/16

# 2.6 WHAT WE WILL DO IN 2016/17


**Total anticipated impact of the Office estate towards 2016/17 CAMP targets.**

| Floor space reduction (sqft) | Maintenance Backlog reduction | Running Cost reduction | Capital Receipts anticipated |
|---|---|---|---|
| 190,396 | £2,001,457 | £1,311,325 | £4,200,000 |

2016/17 will continue with targets set for the estate in line with the core property strategy objectives.
There will be a continued focus on realising efficiency savings through reduced running costs, eliminating maintenance backlog through disposal/lease relinquishments, and reducing the Gross Internal footprint within operational buildings.
The realisation of capital receipts from surplus assets will again be attributed highest priority, with investment to focus on retained, core buildings required for and to support statutory service delivery.

# OFFICE AND DEPOTS 2016/17

The Office Rationalisation project will focus on the completion of the Global Link move, a series of key Social Services moves, and the improved use of County Hall.

There will be an emphasis to work closely with Enterprise Architecture, ICT and the Organisational Development team to implement more efficient and corporate ways of working, such as agile and hotdesking within core offices. The continued adoption of agile working within the Social Services directorate will ensure core office space is used efficiently and cost effectively.

The Depot review within the OD programme will work towards recommendations for the future management of the Council's depot properties and services.

Programme for 2016/17:

| Property | Ward | Type | Intended Action | Tenure |
|---|---|---|---|---|
| **Procurement and Supplies Depot, Bessemer Close** | Grangetown | Office | Dispose site | Freehold |
| **Schools Maintenance Depot, Bessemer Close** | Grangetown | Office | Dispose site | Freehold |
| **Terrapin Building, Bessemer Close** | Grangetown | Office | Dispose site | Freehold |
| **The Rise Penhill, Penhill Road** | Llandaff | Family Centre | Vacate and dispose | Freehold |
| **Suffolk House, Romilly Road** | Canton | Family Centre | Vacate and dispose | Freehold |
| **Ely Family Centre** | Ely | Family Centre | Dispose Interest | Freehold |
| **71 Bridge Street ATC & Drugs and Alcohol team** | Cathays | Office | Dispose | Freehold |
| **John Reynolds Centre, Shaw Close** | Llanrumney | Family Centre | Vacate and dispose | Freehold |
| **28 The Parade (Cardiff Education Trust)** | Plasnewydd | Office | Dispose | Freehold (Trustees) |
| **Llanedeyrn Family Centre** | Pentwyn | Family Centre | Vacate and dispose | Freehold |
| **Global Link, Dunleavy Drive** | Grangetown | Office | Vacate and assign lease | Leasehold |
| **Mental Health Team, 32 Cowbridge Road East** | Riverside | Office | Vacate and relinquish lease | Leasehold |
| **Cardiff Motorpoint Events Office** | Cathays | Office | Vacate and relinquish licence | Leasehold |
| **Unit 5 Quay Point, Collivaud Place** | Splott | Office and Store | Vacate and relinquish lease | Leasehold |
| **Depot review** | City Wide | Added in year | Determine recommendations for future strategy | Freehold |


**Total anticipated impact of the Community estate towards 2016/17 CAMP targets.**

| Floor space reduction (sqft) | Maintenance Backlog reduction | Running Cost reduction | Capital Receipts anticipated |
|---|---|---|---|
| 145,245 | £1,594,895 | £769,237 | £580,000 |

# COMMUNITY BUILDINGS 2016/17

The Community property portfolio will continue to be reshaped and adapted to enable new and alternative service delivery models to be introduced.

The result of alternative approaches to core community services such as sports and leisure, libraries, youth centres, and play centres may result in additional properties becoming surplus to Council requirements.

The Hub programme will proceed with continued investment in established Hubs and development of new Hubs such as the Powerhouse and Llandaff North / Gabalfa Hub.

The CAT programme will continue to be progressed as a priority with several sites due for completion and new properties to be put forward.

The results of the Venue and Leisure Centre procurement processes will determine the future of those services and assets. This has the potential to significantly affect the Council's operational estate performance and impact on benchmark targets.

Programme for 2016/17:

| Property | Ward | Intended Action | Tenure |
|---|---|---|---|
| **Powerhouse HUB (Llanedeyrn NLC)** | Pentwyn | Implement business case to develop HUB | Freehold |
| **Fairwater HUB (former library)** | Fairwater | Re-open following refurbishment | Freehold |
| **Llandaff North & Gabalfa HUB** | Llandaff North | Implement business case to develop HUB | Freehold |
| **Llanishen HUB** | Llanishen | Implement business case to develop HUB | Freehold |
| **STAR Leisure HUB** | Splott | Implement business case to develop HUB | Freehold |
| **Branch Library properties** | City Wide | Reshape service where appropriate | Freehold |
| **Play Centre properties** | City Wide | Implement revised Play model and determine implications for property assets | Freehold |
| **Youth Centre properties** | City Wide | Pursue CAT interest where appropriate | Freehold |
| **Day Centre properties** | City Wide | Implement business case to develop Day Services at Minehead Rd, Fairwater and Grand Avenue. | Freehold |
| **Leisure Centres** | City Wide | Progress procurement project | Freehold |
| **Venues** | City Wide | Progress procurement project | Freehold |
| **All Sports Facilities** | City Wide | Submit service review to cabinet | Freehold |
| **Rumney Library (HUBs)** | Rumney | Complete disposal | Freehold |
| **Former Caerau / Trelai Library and Community Centre** | Caerau | Complete disposal | Freehold |
| **Cardiff International Athletics Stadium, Leckwith** | Canton | Lease | Freehold |
| **Former STAR Leisure Centre** | Splott | Lease | Freehold |
| **Insole Court** | Llandaff | Finalise CAT process | Freehold |
| **Dusty Forge Youth Centre** | Ely | Finalise CAT process | Freehold |
| **Canton Community Hall** | Riverside | Finalise CAT process | Freehold |
| **Maes-y-coed Community Hall** | Heath | Finalise CAT process | Freehold |
| **Roath Library** | Adamsdown | Finalise CAT process | Freehold |
| **Riverside Play Centre** | Riverside | Finalise CAT process | Freehold |
| **Splott Play Centre** | Splott | Finalise CAT process | Freehold |
| **Ely Play Centre** | Ely | Finalise CAT process | Freehold |
| **Llanedeyrn Play Centre** | Pentwyn | Finalise CAT process | Freehold |
| **Adamsdown Play Centre** | Adamsdown | Finalise CAT process | Freehold |
| **Grangetown (Marl) Play Centre** | Grangetown | Finalise CAT process | Freehold |
| **Llwynfedw Gardens Bowls Pavilion** | Heath | Finalise CAT process | Freehold |
| **Grange Gardens Bowls Green & Pavilion** | Grangetown | Finalise CAT process | Freehold |
| **Howardian Youth Centre** | Penylan | Redevelop along with new School | Freehold |
| **Llanrumney Play Centre** | Llanrumney | Finalise CAT process | Freehold |
| **Dalton St Community Centre** | Cathays | Finalise CAT process | Freehold |
| **Highfields and Oaks Garden Nursery** | Heath | Finalise CAT process | Freehold |

# SCHOOLS BUILDINGS 2016/17

As reported in the Schools Organisational Plan, the projects below will be pursued this year following business case approval from Welsh Government and consideration of financial affordability of the 21st Century Schools Financial Model.

Cardiff has the largest SOP programme in Wales with the "Band A" envelope of £164m up until 2019 predicated on 50:50 split in funding. £82m from the Council is made up from Capital Receipts & prudential borrowing. Welsh Government provides funding subject to approval of business cases on an individual project basis.

**Total anticipated impact of the Schools estate towards 2016/17 CAMP targets.**

| Floor space reduction (sqft) | Maintenance Backlog reduction | Running Cost reduction | Capital Receipts anticipated |
|---|---|---|---|
| **82,215** | **£2,461,320** | **£8,000** | **£240,000** |

Programme for 2016/17:

| Property | Ward | Type | Intended Action | Tenure |
|---|---|---|---|---|
| **New High School in the East** | Trowbridge | High School | Implement plan to develop a new 8 form entry High School in the east in collaboration with Cardiff and Vale College | Freehold |
| **New High School in the West** | Ely / Caerau | High School | Glyn Derw High is scheduled for demolition in summer 2016. Implement plan to develop a new 8 form entry High School in the west to replace both Michaelston College and Glyn Derw High | Freehold |
| **Llanedeyrn High School Site** | Pentwyn | High School | Complete new St Teilo's pitch project | Freehold |
| **Hamadryad Primary** | Butetown | Primary School | Implement plan to develop a 2 form entry Welsh Medium Primary School | Freehold |
| **Maltings Primary School** | Splott and Adamsdown | Primary School | Develop a 2 form entry Primary School to be built on the Maltings site in Splott | Freehold |
| **Gabalfa & Glan Ceubal Primary Schools** | Llandaff North | Primary School | Finalise design for 2 new x 1 form entry schools on existing site to replace current buildings | Freehold |
| **Howardian Primary School** | Penylan | Primary School | Develop a 2 form entry English Medium Primary on existing Howardian site | Freehold |
| **Adamsdown Primary School** | Adamsdown | Primary School | Implement approval to ensure 2 form entry provision and Nursery facilities | Freehold |
| **Ysgol Glan Morfa** | Splott | Primary School | Implement plan to construct new 2FE Welsh Medium Primary | Freehold |
| **Ninian Park School** | Grangetown | Primary School | Construct 1 form entry extension | Freehold |
| **Grangetown Caretakers House** | Grangetown | Caretakers House | Dispose via auction | Freehold |
| **Herbert Thompson Caretakers House** | Ely | Caretakers House | Dispose via auction | Freehold |

# OTHER DISPOSALS 2016/17

In addition to the core operational estate, other Council land and property assets are subject to ongoing rationalisation initiatives.

**Total anticipated impact of other disposals towards 2016/17 CAMP targets.**

| Floor space reduction (sqft) | Maintenance Backlog reduction | Running Cost reduction | Capital Receipts anticipated |
|---|---|---|---|
| **n/a** | **£250,000** | **£7,500** | **£1,905,000** |

Programme for 2016/17:

| Property | Ward | Intended Action | Tenure |
|---|---|---|---|
| **Wedal Road YHA Hostel & caretakers** | Cathays | Dispose via auction | Freehold |
| **151-153 Bute Street** | Butetown | Seek approval to dispose | Freehold |
| **75 St Mary Street** | Cathays | Seek approval to dispose | Freehold |
| **29 Caroline Street** | Cathays | Seek approval to dispose | Freehold |
| **Radio mast site, Bessemer Close** | Grangetown | Seek approval to dispose | Freehold |
| **ATS, Hadfield Road** | Grangetown | Seek approval to dispose | Freehold |
| **Units 3 & 4 Newport Road Industrial Estate** | Splott | Seek approval to dispose | Freehold |

This table shows the targets for 2016/17

| | Floor space (sqft) | Maintenance Backlog | Running cost reduction | Capital Receipts |
|---|---|---|---|---|
| **2016/17 AMP Target** | **325,651** | **£4,500,000** | **£1,600,000** | **£7,300,000** |
| **2016/17 AMP Target % impact** | **4.2** | **4.3** | **4.4** | **n/a** |

The targets for reducing floor space, maintenance backlog and achieving capital receipts in 2016/17 are determined from the Office, Communities, Schools and Land programmes described above.

The asset management process and achievement of targets is supported by a detailed master schedule of operational property that is continually reviewed throughout the year via the Asset Management Board.

# 2.7 CAMP TARGETS 2016/17

CARDIFF
CAERDYDD

# CITY OF CARDIFF COUNCIL
# CYNGOR DINAS CAERDYDD

## CABINET MEETING: 14 JULY 2016

## BUDGET STRATEGY REPORT 2017/18 AND THE MEDIUM TERM

## REPORT OF THE CORPORATE DIRECTOR RESOURCES & SECTION 151 OFFICER

**AGENDA ITEM: 5**

**PORTFOLIO: CORPORATE SERVICES & PERFORMANCE (COUNCILLOR GRAHAM HINCHEY)**

### Reason for this Report

1. To consolidate and update the financial strategy of the Council in readiness for the preparation of the 2017/18 revenue and capital budgets. This will include outlining the timetable for the budget process in order to present the Budget Report to Council in February 2017.

2. The Report will outline and update the budget reduction requirement that the Council is facing over the medium term. It will set out the strategy to address the budget gap in the forthcoming financial year as well as across the life of the medium term financial plan (MTFP). Consideration will be given to the future outlook for the Council beyond the timeframe of the MTFP, although these projections are highly caveated given the number of unknown variables.

3. The Budget Strategy Report will highlight the ongoing severity of the financial challenge and consider its impacts on the financial resilience of the Council. The policies, budget assumptions and tools that underpin the Budget Strategy will be crucial in moving the Council forward on a financially sustainable basis.

### Structure of the Report

4. The Report contextualises the budget strategy by considering the internal and external backdrop against which it is being prepared. The Report revisits the Medium Term Budget Reduction Requirement that was identified in the 2016/17 Budget Report and sets out updates, both in terms of the quantum that will need to be identified over the next three years and the strategy to address it. The Report also includes updates in respect of the Capital Programme.

5. The following table provides a quick reference guide to the key sections of the Report. A short overview of the strategy in the format of questions and answers is included at Appendix 1.

| Section of Report | From Para | Detail included in section |
|---|---|---|
| General Background | **6** | Economic Position and Welsh Government context |
| Council Background | **18** | Corporate Plan and WAO follow on Report |
| Risk and Financial Resilience | **30** | Key Risks and Financial Resilience considerations |
| 2017/18 and MTFP Budget Reduction Requirement | **40** | A recap of the budget reduction requirement set out in the 2016/17 Budget Report and the underpinning assumptions. Refresh and review of that position to take account of developments since February 2016. |
| Approach to Budget Strategy | **51** | Recap of 2016/17 Approach as the basis for 2017/18. Overview of 2017/18 work to date and work-plan |
| Strategy to address the Budget Gap | **58** | A recap of the budget strategy set out in the 2016/17 Budget Report and refresh and review of that position. |
| Consultation and Engagement | **87** | Consultation with the public, employees and other key stakeholders |
| Other Budget Strategy Issues | **92** | Future developments |
| Capital Programme | **97** | Capital expenditure, funding and affordability |

## General Background

### Economic Position

6. This Report is written in the context of a prolonged period of significant financial restraint. The implications of the Autumn Statement and Spending Review and of the Chancellor's March 2016 Budget are a continuation of implied real cuts to day to day spending on public services and administration in 2017/18 and 2018/19. The outcome of the EU Referendum on 23 June 2016, for the UK to leave the European Union has raised significant uncertainty and speculation

regarding the future economic position of the country. This is referred to at the end of this section but will need careful monitoring over coming months as the situation starts to be afforded more clarity.

7. The Chancellor's budget announcement in March 2016 set out the economic context based on figures produced by the Office for Budget Responsibility (OBR.) The economic figures showed a deterioration on November 2015 figures. Some of the main indicators from this statement were:-

- Forecast growth of 2% this year and 2.2% in 2017; a revision downwards from the growth prediction of 2.4% in the November 2015 Spending Review
- Forecast inflation to be below the target rate of 2% in 2016, returning gradually to 2% in 2018
- National debt forecast to peak at 83.7% in 2015/16 before falling from 2016/17 to 74.7% of GDP in 2020/2021.

8. The OBR Report set out that risks to the global economic outlook remain significant, with slower growth in China, shifting prospects of oil supply and the outlook for US monetary policy among the key sources of uncertainty. It should be noted that the OBR report, and therefore the Chancellor's budget, were predicated on the UK remaining in the European Union following the referendum. This is because the OBR is required to base forecasts on current Government policy and not to consider alternatives.

9. The result of the UK referendum on 23 June 2016 to leave the EU, has placed a number of uncertainties around the economy. Immediate impacts that occurred in the week following the referendum include the downgrading of the UK's triple-A rating by a number of credit agencies and a reduction in the exchange rate of the pound. The short term consequences of these changes have been a reduction in the PWLB borrowing rate and, given that the price of oil is based on dollars, an increase in fuel prices is anticipated shortly.

10. Impacts over the medium to longer term are extremely difficult to predict. The UK is not expected to invoke Article 50 of the Treaty of Lisbon, to instigate withdrawal proceedings until the autumn following the appointment of a new Prime Minister and the ensuing details of UK's exit from the EU will need to inform future financial forecasts. There were originally some indications that there may be an Emergency UK Budget in the immediate aftermath of a "Leave" vote. Whilst the immediate threat of an emergency budget has been removed, this is still considered a possibility following the appointment of a new Prime Minister later in the autumn. The impact of this along with potential changes to the Welsh block grant and Welsh Government's (WG's) subsequent decisions regarding its grant distribution are all factors that could impact future Local Government Settlements.

**Welsh Government Context**

11. The 2016/17 financial settlement set out an average decrease in Aggregate External Finance (AEF) of 1.4% across Wales, with individual Authority reductions ranging from between 0.1% and 4%. Cardiff experienced a 0.1% reduction in AEF which in cash terms equates to a £301,000 loss of general funding compared to 2015/16. The settlement was for one year only and no indicative figures were provided in respect of the financial years 2017/18 and

beyond.

12. Ongoing budget reductions of the scale required to achieve a balanced position require difficult decisions with appropriate lead in times. These should be based on sound evidence and implemented in a planned and rational way. The absence of multi-year settlement information is therefore extremely challenging from a financial planning perspective. For Cardiff, a 1% fluctuation in AEF equates to £4.3 million in cash terms and therefore minor changes in percentage terms can have a significant impact on planning. This situation was exacerbated in 2015/16 when the timing of the Autumn Comprehensive Spending Review delayed publication of the WG Budget and in turn, the Local Government Settlement. As a result, Welsh Local Government received indicative funding figures just three months in advance of budget-setting date.

13. In the absence of indicative funding figures for 2016/17, the Council had assumed a funding reduction of 3% which was in line with the decrease experienced in 2015/16 and with warnings from the WG to expect further challenging settlements. Whilst the 0.1% reduction Cardiff received was significantly better than anticipated, it is testament to the scale of the ongoing financial challenge that a negative settlement accompanied by unfunded financial pressures of over £30 million was perceived as good news.

14. Settlement announcements are expected to revert back to usual timeframes this year, and the Provisional Settlement is anticipated in October 2016. However, as noted above, there is the potential for an emergency budget following the appointment of a new Prime Minister and the timing and content of any such budget may have implications for settlement dates.

15. Whilst confirmation of funding levels remains a key risk, the Council used the opportunity afforded by the better than anticipated 2016/17 settlement to strengthen its ongoing financial resilience. As part of this, a £4 million financial resilience mechanism was established. The mechanism, which is equivalent to approximately 1% of Aggregate External Finance supports one off investment in priority areas, and is available for release in subsequent years in the event that the settlement is worse than the 1% reduction assumed in the Medium Term Financial Plan.

16. In its response to the Welsh Government Budget, the Welsh Local Government Association (WLGA) recognises that the WG is also faced with real term budget reductions. In this context, rather than seeking to achieve greater funding for Welsh Local Government, the WLGA sought WG recognition of the gravity of the situation with a call for the accurate and transparent reporting of information and maximisation of flexibility. The WLGA highlighted a number of ways in which it felt a new relationship based on these principles could be achieved and these included:-

- More direct links between any schools protection and AEF
- Greater equity in the consideration of preventative services such as social services and housing
- De-hypothecation of specific grants
- Greater co-ordination across Welsh Governments department in policy making that affects Local Government
- A thorough review of the costs and benefits of audit and regulation

- Greater clarity for the future with the issue of multiyear settlements
- Recognition that in times of increasing financial risks, a council making cuts also needs to increase reserves to reflect the volatility of its budget
- Full consideration of the devolution of powers to Councils, including retention of business rates growth
- Realism in terms of new legislative duties of Council and more robust assessment of their financial impact

17. The WLGA also highlighted that between 2009/10 and 2015/16, specific grant funding has increased from £680 million to over £900 million as new initiatives have grown more quickly than older grants are rolled into the settlement. The WLGA believe that many grants are aimed at achieving similar outcomes, often over-lapping or duplicating activity whilst at the same time restricting how authorities design services delivery to achieve outcomes, potentially to the detriment of innovation. Cited examples within the Alleviating Poverty Programme include Communities First (£29 million), Families First (£43 million), Flying Start (£76 million) and Supporting People (£124 million.)

**Council Background**

**Corporate Plan**

18. The Council approved its Corporate Plan for the period 2016-2018 in February 2016. The plan sets the Council's strategic direction and provides a framework to underpin more detailed service plans and performance management objectives. With reducing funding and increased demand for services, Councils must be clear about their priorities. For Cardiff, the Corporate Plan 2016-18 identifies these as:

    - Priority 1 – Better education and skills for all
    - Priority 2 – Supporting vulnerable people
    - Priority 3 – Creating more and better paid jobs
    - Priority 4 – Working together to transform services

19. The Corporate Plan is aligned with the vision for Cardiff to be Europe's Most Liveable Capital City, and with the seven jointly agreed outcomes included in the Single Integrated Plan – "What Matters" that are aimed at delivering this vision. The Corporate Plan together with significant issues identified through the Council's Statement of Internal Control, the Corporate Risk Register and performance management report are reflected in the financial strategy for 2017/18 and beyond.

20. The Budget Strategy is aligned with Corporate Plan priorities as far as possible. Clearly, opportunities for investment are restrained in the current climate, although the budget strategy does include growth for schools over the medium term. Whilst savings must inevitably be found to balance the budget, their themes are aligned with corporate plan priorities wherever possible. Other savings aim to focus on internal processes and overheads to avoid significant impact on front line services. In addition, the current capital programme includes sums to support organisational change and to enhance the city centre to attract new businesses.

**Wales Audit Office Corporate Assessment Follow On Report**

21. The Auditor General for Wales must report on an annual basis on how well Welsh Councils are planning for improvement in service delivery. In addition, every four years, the Auditor General must conduct a Corporate Assessment of every local authority in Wales. Cardiff Council was the subject of corporate assessment in March 2014. The ensuing Report was critical of the Council's performance and recommended that the then newly established Organisational Development Programme must ensure the resolution of the issues identified in the Assessment. The Report committed the Wales Audit Office (WAO) to carry out a follow on corporate inspection in 2015 to determine whether the issues identified in the Corporate Assessment Report had been satisfactorily resolved.

22. The Wales Audit Office follow on visit was undertaken in October 2015 and the Corporate Assessment Follow On report was published on 26 February 2016. The report contained one statutory recommendation and 14 proposals for improvement relating to the key areas of leadership and management, governance, performance reporting and corporate enablers, including financial planning processes. The statutory recommendation was that the Council ensure that all proposals for improvements be delivered within 12 months.

23. The Follow On Report's recommendations in respect of financial planning processes were consistent with a simultaneous review that the WAO undertook that was part of a wider review into the financial resilience of Welsh Local Government. The latter review was aimed at forming an assessment as to whether the council effectively manages budget reductions in order to ensure ongoing financial resilience and the three key areas of financial planning, financial control and financial governance were considered.

24. The conclusion of WAO in reporting on the Council's financial resilience was that the "The Council has improved its arrangements for financial planning and has sound financial control and governance arrangements but now needs to develop robust plans to support the timely delivery of its savings proposals". The Council's financial control and governance arrangements were assessed as low risk, and financial planning as medium risk. This was consistent with the findings of the WAO follow on report which recognised that the Council has improved its MTFP arrangements and had raised the profile of financial resilience but made four specific recommendations to further strengthen financial planning processes.

25. The Corporate Assessment Follow On report's four specific recommendations in relation to financial planning processes were encapsulated by two themes; savings planning and integration between the MTFP and other plans. In respect of the latter, the report recommended that links between improvement planning arrangements and service plans could be more explicit, and that savings proposals should be linked to the Organisational Development Programme (ODP) where relevant and driven by the ODP board. From a planning perspective, the Report recommended that all budget savings plans should be as fully developed as appropriate with realistic timescales identified at the time the annual budget is set.

26. It should be noted that the focus of the WAO assessment was on the delivery of 2014/15 savings plans and the 2015/16 financial planning period. The budget

process is subject to regular review and a number of improvements had already been taken forward as part of 2016/17 Budget Strategy, which did not form part of WAO's review and subsequent report. These were outlined in the response to the follow on report and summarised below.

- The 2016/17 Budget Strategy was the product of earlier and more collaborative target setting
- There was a further marked shift from incremental budgeting with emphasis on how budgets could be reshaped over the medium term to address the financial challenge
- There was increased focus on the whole of the Council's budget with detailed consideration of opportunities for savings within areas of "addressable spend"
- There was continued focus on the importance of Budget Strategy Assumptions as part of the solution over both one and three years including council tax, cap on schools growth and use of earmarked reserves
- Financial resilience was given a high profile throughout the 2016/17 process, and advantage was taken of the opportunity afforded by the better than anticipated settlement to strengthen future resilience
- Directorates undertook regular review of the planning status of proposals and frequent updates were provided to Senior Management Team and Informal Cabinet in this respect
- Links were made between medium term savings proposals and the ODP's focus on the shift to online services, facilitating alternative delivery models, increasing revenue from commercial activity and reducing the council's asset base. Issues arising from both Organisational Development and development of budget strategy were considered at SMT on a recurring basis.
- As outlined in the 2016/17 Budget Report, the above culminated in a more detailed response to the medium term budget reduction requirement than in previous years and this has provided a firm foundation for the 2017/18 approach, requiring less time and effort to be spent on target-setting exercises in the early part of 2016/17 enabling more focus on challenging and planning draft 2017/18 proposals.

27. The above highlight that progress had already been made in a number of respects but that this was not reflected in WAO's report. These improvements will be embedded and developed as part of the 2017/18 budget process.

**Organisational Development**

28. As noted in the previous section, in May 2014, the Cabinet established a comprehensive ODP, based on co-operative principles which was designed to reshape the Council in response to a range of critical challenges, including the financial challenges facing the Council, demand-led pressure on services and the need to improve performance. To date, the programme has driven improvement and change across a range of areas including improvements in the way the Council uses its assets, continued collaboration across sub-regional partnerships to deliver social services, working to ensure the Council has residents at the heart of its approach through development of Community Hubs and the continuing implementation of the Council's Customer

Relationship management system aimed at improving customer experience. The financial benefits of changes in many of these areas have been reflected in previous budgets through for example, budget savings in relation to office accommodation, Hubs and the use of capital receipts to support the 2015/16 capitalisation direction.

29. As previously noted, there are clear links between medium term savings themes and the next steps of the ODP; these include the shift to online services, customer focus and enabling technology, increasing revenue from commercial activity and strategic commissioning. There is regular interaction between the finance section and the Organisational Development team to ensure that frequent information sharing takes place and issues arising from both Organisational Development and financial planning are considered by SMT on a recurrent basis. All projects within the ODP are required to have effective financial plans in place which link to the MTFP. The ODP will be an essential part of releasing budget savings in a manner that conserves financial resilience as far as possible.

**Risk and Financial Resilience**
**Risk**

30. The risk assessment carried out as part of the 2016/17 budget preparation identified significant financial and operational challenges over the medium term. In addition to considering the risks associated with individual savings and financial pressures, a number of additional Council risks were identified. These can be categorised under six themes, three of which have a more internal focus, whilst the other three are largely externally determined. These risks are summarised in the table below:-

| | Theme | Identified Risks |
|---|---|---|
| INTERNAL | SAVINGS | • The significant amount of savings predicated on the success of preventative strategies and the difficulty of tracking their impact in terms of financial monitoring.<br>• The necessity to deliver budgeted savings from reshaping services and other change proposals not yet fully defined.<br>• The significant level of savings based on commercial and income initiatives that are yet to be tested in the market.<br>• The need to deliver significant levels of savings during a period of prolonged financial austerity particularly given the impact that delays to delivery of the proposal has on the budget monitoring position<br>• The cumulative impact of achieving the savings, within the 2016/17 budget in addition to the unachieved 2015/16 savings which remain to be realised. |

| | Theme | Identified Risks |
|---|---|---|
| | ORGANISATIONAL CHANGE | • The potential implications arising from the implementation of alternative delivery models for certain Council services.<br>• The service impact of an ongoing reduction in headcount expected to take place over the medium term but also the changing impact of alternative delivery models on the nature of the workforce.<br>• The impact of the potential adoption of alternative models of service delivery and the requirement to test consequential costs and benefits of the change, for example working through any potential TUPE implications.<br>• The impact of functions delivered as part of a collaborative arrangement should the planned benefits not be realised.<br>• The impact of the ongoing uncertainty in respect of the outcome of local government reorganisation. |
| | CAPITAL ASPIRATION | • The level of additional borrowing undertaken in previous years and proposed will require more revenue resources to be used for capital financing in future years or the use of WG's new powers of borrowing.<br>• Capital schemes that are approved on the basis of generating savings, increasing income or capital receipts but which fail to do so will also increase pressure on the revenue budget.<br>• The increasing financial exposure to the Council of the SOP consolidated financial model as the size of the programme and associated risks increase. |
| EXTERNAL | FUNDING | • The potential impact on RSG funding if allowances for sparsity are included in future settlements and also any redistributive impact of specific grants transferred into the Settlement.<br>• The challenging financial position in respect of reducing WG resources, increasing financial pressures against a reducing controllable base budget together with increasing volatility and uncertainty in respect of hypothecated grants.<br>• The impact on Cardiff Bus, which is wholly owned by the Council, should the WG make significant reductions to the reimbursement rate in respect of concessionary fares in 2016/17. |
| | DEMAND | • Reducing demand for services where the Council has historically charged for the activity, creating an income shortfall.<br>• The ability to react to new demands resulting from welfare reforms as they are progressively implemented together with financial risks in respect of the CTRS.<br>• Continuing demographic demand for social care services |
| | OTHER | • The impact of welfare reforms, in particular the phased implementation of Universal Credit during 2016/17, on the ability of individuals to contribute to the cost of services provided where relevant.<br>• The risk of WG levying fines if the Council fails to realise recycling or land fill diversion rates. |

31. The impact of these challenges are reviewed as part of the financial monitoring process and through the Corporate Risk Register, both of which are regularly reported to the Cabinet and Senior Management Team. The Council's Audit Committee also regularly review the Corporate Risk Register. Given the risks identified, care will continue to be taken that changes to service delivery and business processes do not impact negatively on the financial control environment. In addition, new risks will continue to be identified and monitored throughout the budget preparation period. Examples of these include the potential impact of the EU referendum as highlighted earlier in the report but also the need for successful implementation of new systems and processes such as the Customer Relationship Management arrangements.

**Financial Resilience**

32. The Council has met a budget reduction requirement of over £30 million for 2016/17, building on £113 million in the previous three years with a further £73 million requirement anticipated over the next three. The 2016/17 Budget Report, and earlier reports recognised that the financial outlook is such that radical changes must continue to be made to the shape of the organisation in order for it to remain operational and resilient. In this context, the significance of reviewing the financial standing, risks and resilience of the Council cannot be understated. The development of a deliverable Budget Strategy is a key document in this respect.

33. Key messages in respect of financial resilience included in the 2016/17 Budget Report included:-

- The need to deliver significant levels of savings during a period of prolonged financial austerity, particularly given the impact that delays to delivery of proposals have on the budget monitoring position
- The cumulative impact of achieving 2016/17 savings in addition to the unachieved 2015/16 savings which remain to be realised
- The significance of addressing a further £73 million gap, building on £28.8 million in the current year and £135 million in the five years preceding that.
- The complexity associated with delivering the radical change required to continually reshape the organisation, including the delivery of new operating and delivery models
- The increasing ratio of capital financing charges to controllable revenue budgets as controllable budgets reduce, impacting on the relative affordability of the capital programme

34. During recent years, much emphasis has been placed on raising the profile of financial resilience and briefing and training sessions for both Members and officers have taken place in this respect. The Council regularly prepares Financial Resilience Snapshots which are designed to give an overview of the financial health of the Council at intervals throughout the year. By combining past, present and future information, the snapshots provide a rounded view of performance and enable emerging issues and trends to be identified. The Council has also increased the level of benchmarking that it undertakes with organisations facing similar financial challenges.

35. The snapshot included at Appendix 3 provides an overview of the financial

health of the Council at the time of setting the Budget Strategy for 2017/18. It reflects the Budget Strategy reflected in this report, the 2015/16 Outturn Report and the draft Statement of Accounts for 2015/16. The Council's Statement of Accounts are a key document in assessing financial resilience. The draft Statement of Accounts for 2015/16 were reviewed by Audit Committee on the 27 June 2016 prior to the Corporate Director for Resources signing them as the Responsible Finance Officer. The accounts are currently on public deposit and will be audited over the summer, with the audited accounts due for presentation to Council in September.

36. In recognition that development of the 2017/18 budget over the next six months will be informed by the budget monitoring position, the snapshot includes information on the 2015/16 Outturn and the level of savings achieved in 2015/16. It should be noted that whilst the Council's outturn for 2015/16 was favourable and allowed additional monies to be set aside in useable reserves, the position at a directorate level was an overspend of £4.635 million partially offset by the general contingency of £4 million. The delivery of delayed savings, in addition to those included in the 2016/17 Budget will remain a key area of risk to be monitored as the year progresses. It should be noted that the 2016/17 budget sought to improve this risk through the writing out of £3 million unachieved prior year savings. Monitoring of savings has already commenced in the current year with regular consideration at Senior Management Team and timetabled discussion with Cabinet Members.

37. Reserves are an important part of financial resilience as in times of uncertainty, they provide a backstop against volatility. The unaudited accounts show that the level of the Council's General Fund Reserve is £15.255 million. This is an increase of £2.696 million on the previous year's balance however, this includes £1 million that has been transferred for use in funding the 2016/17 budget, in line with the 2016/17 Budget Report proposals. After adjusting for this, the Council's General Reserve, stands at 2.5% of its net revenue expenditure; a slight improvement on the 2.2% from the previous year. Whilst, 2015/16 comparative information is not yet available, this level is below the Welsh average as at 31 March 2015. The snapshot shows an increase in earmarked reserves which now stand at 9% of the net revenue budget, taking them back up from the comparatively low levels held in recent years. A significant element of the increase in earmarked reserves at 2015/16 outturn related to the early repayment of sums previously borrowed from reserves to fund severance costs. Other transfers to reserves were aimed at improving financial resilience in respect of some of the risk areas identified in the previous section, including for example, the waste and welfare reform reserves.

38. The Council's arrangements for holding and utilising reserves is set out in its Financial Procedure Rules. Members, following advice from the Section 151 Officer will consider the level of reserves held and whether any amounts should be used in support of the budget setting process. General practice is to avoid over-reliance on reserves as general budget funding for several reasons. These include firstly, their finite nature which creates an immediate funding gap to be filled in the following year, secondly, the need to conserve the resilience they can provide in times of challenge and significant cumulative savings requirements and finally, the fact that cash balances can help the Council avoid short term borrowing and its associated costs.

39. A careful balance needs to be struck when deciding how reserves may be used in support of the budget. The Budget Strategy Planning Assumptions section of this report, sets out the suggested use of both general and earmarked reserves for 2017/18 and the medium term. The improved position on earmarked reserves strengthens the Budget Strategy assumption of annual use of reserves in support of the budget. In addition, the healthier level of reserves can be used to further improve the Council's financial resilience through their considered use to assist the funding of one-off investment requirement to support transformation and to allow an element of lead in time to more challenging savings.

**The 2017/18 and MTFP Budget Reduction Requirement**

40. The 2016/17 Budget Report identified a budget reduction requirement of £24.7 million for 2017/18 and £73 million over the three year MTFP period. A budget reduction of £73 million over a three-year period, is lower than in recent budget rounds but is still highly material and needs to be viewed in the context of the £190 million in savings over the ten year period 2006/07 – 2015/16 with over 50% of these between 2013/14 and 2016/17.

41. The £73 million is considered a base case scenario and is predicated upon the Council receiving Welsh Government funding decreases of 1% each year. The table below summarises the components of the 2017/18 gap as at February 2016.

| | **Medium Term Budget Gap** | | | |
|---|---|---|---|---|
| | **2017/18 £000** | **2018/19 £000** | **2019/20 £000** | **TOTAL £000** |
| Pay and Price Inflation | 6,445 | 5,840 | 5,464 | **17,749** |
| Schools Growth | 7,770 | 7,049 | 7,186 | **22,005** |
| Capital Financing, Commitments & Realignments | (2,785) | (1,178) | 2,067 | **(1,896)** |
| Non Schools Demographic Growth | 3,900 | 3,900 | 3,900 | **11,700** |
| Emerging Financial Pressures | 3,000 | 3,000 | 3,000 | **9,000** |
| Fall out of 2016/17 Reserve Funding | 2,070 | 0 | 0 | **2,070** |
| Estimated 1% funding reduction | 4,263 | 4,220 | 4,136 | **12,619** |
| **TOTAL** | **24,663** | **22,831** | **25,753** | **73,247** |

42. The following table contains additional detail on the pressures included within the above table and summarises the assumptions that underpinned them as included in the February 2016 Budget Report. Areas marked with an asterisk have undergone review and refresh since February 2016 and further detail on these updates is set out in the section on review and update of the Budget Reduction Requirement.

| Plan Area | Pressures covered and key assumptions |
|---|---|
| Pay and Price Inflation | • **Pay Award for non-schools staff *** – reflects the offer made to Trade Unions in Dec 2015<br>• **Voluntary Living Wage (VLW) Uplift** – the Council is a VLW Council. As the 2017 rate is not yet known, the plan assumes an uplift in line with 2016<br>• **Actuarial Review of LGPS** - the valuation date is 31 March 2016. The review findings are not yet confirmed. The MTFP assumes that employer's contributions may increase from 22.9% to 23.4% with the increase stepped over a three year period.<br>• **Pensions Auto-enrolment** - the plan assumes some additional pension scheme members at the Auto-Enrolment date of 1 October 2017. It is assumed most people will continue to opt out, but for prudence a 10% take up is included.<br>• **Incremental Drift** – the estimated cost of annual pay scale progression<br>• **Exceptional Price inflation** – generally, directorates are required to absorb price inflation with their existing resource base. However, the plan includes provision for specific fee uplifts in unavoidable areas. |
| Schools Growth | • **Pay Award *** – for non-teaching staff, assumptions are as above. For teaching staff, in the absence of a confirmed award a 1% uplift has been assumed<br>• **Incremental Drift** – the estimated cost of annual pay scale progression<br>• **Pupil Number Growth * –** the estimated annual growth from rising pupil numbers<br>• **Other Demographic Growth * -** growth that relate to needs pressures rather than purely pupil numbers – including breakfast initiatives, free schools meals, complex needs enhancement etc. |
| Capital Financing, Commitments & Realignments | • **Capital Financing *** – figures reflect the incremental changes in the cost of servicing debt. These incorporate the impact of a change in Minimum Revenue Provision (MRP) policy from 4.5% to 4% p.a. in 2017/18 to align the provision of debt on supported borrowing with WG assumed levels. Capital financing costs reflect the 2016/17 capital programme, with no assumption of any further new scheme approvals in 2017/18 and onwards.<br>• **Commitments –** the commitment figure for 2017/18 includes the estimated cost of the Apprenticeship Levy due to take effect from 1 April 2017. The MTFP also includes provision for commitments associated with the Central Enterprise Zone and hosting of the Volvo Round the World Yacht Race.<br>• **Realignment – general contingency -** As part of the 2014/15 budget a £4million general contingency budget was established in recognition of the financial challenge faced. It is anticipated that the annual savings requirement over the medium term will be lower than in 2014/15 and 2015/16 and it is therefore considered prudent to release £1million of the general contingency in 2017/18.<br>• **Realignment – severance budget * -** The plan included a £4million realignment downwards of the voluntary redundancy budget over the first two years. This adjustment is based on a reset of the number of anticipated leavers included within the voluntary severance model. The number of staff leaving the Authority on severance is significantly lower than in previous years. In addition, the nature of savings has shifted, with alternative delivery models forming a key component of the medium term financial plan |
| Non-Schools Demographic | • Over recent years, Cardiff has had one of the fastest growing populations of any UK core city. This trend will continue with statistical |

| Plan Area | Pressures covered and key assumptions |
|---|---|
| Growth | projections suggesting significant population growth out to 2034.<br>• Anticipated growth is in age groups in which demand for services can be more costly<br>• Most growth within this section of the plan is in the area of social services. As well as growth in numbers, the plan also provides for increasing complexity of demand in Children's Services. |
| Emerging Financial Pressures | • The plan includes £3million per annum to address emerging financial pressures (equating to approx. 0.5% of net budget). This sum has been included in recognition that it is impossible to foresee all issues, and that in reality, additional burdens may arise as the year progresses – legislation/policy/grant fall out. The figure will be reviewed as necessary as the start of the financial year 2017/18 draws nearer. |
| Fall out of 2016/17 Reserve Funding | • The 2016/17 budget included £2.070 million use of reserves. The plan reflects the fall out of this sum in 2017/18. The budget planning assumptions section resets the levels of earmarked reserves to be used in each year of the MTFP. Starting afresh in this manner ensures that use of reserves are given suitable focus and Member engagement. |
| Estimated 1% funding reduction | • In the absence of indicative figures, the MTFP assumes an AEF reduction of 1% p.a.<br>• This reflects WLGA modelling which considered a number of scenarios based on WG affording differing levels of protection for the rest of the Welsh public Sector. 1% was considered a "middle of the road" scenario between the most optimistic estimates of a modest increase in funding and the least pessimistic estimates of a 2-2.5% reduction.<br>• A 1% funding reduction equates to £4.3million and therefore the absence of indicative figures is a risk<br>• As part of strengthening financial resilience in the 2016/17 budget, a £4million financial resilience mechanism was established to assist with future funding settlements being worse than anticipated |

**Review and Update of the Budget Reduction Requirement**

43. As already noted, the budget reduction requirement is a dynamic figure which must be regularly reviewed to ensure preparedness from a planning perspective. The table below sets out the components of the MTFP that were scheduled for refresh during the first quarter of 2017/18. In addition, reactive refresh has taken place to reflect the 2015/16 outturn position and the Chancellor's March 2016 budget. In some instances such as pay awards, review and refresh has confirmed assumptions already included within the Medium Term Financial Plan. In others area such as demographic growth further review will be required as the year progresses and finally some areas have been updated as part of this Report including future Teacher's Pension costs.

| Area of Refresh | Influential Factors |
|---|---|
| Pay and Prices | Finalisation of pay award negotiations, shape of workforce |
| Schools Growth | Demographic updates and updates on pay awards |
| Commitments | Further Government announcements on the operation of the Apprenticeship Levy |
| Realignments | Most recent profile of leavers (VS) and in year monitoring |

44. Since the MTFP was published in February, the National Joint Committee pay award has been agreed. The award covers both 2016/17 and 2017/18 and is based on an uplift of 1% with higher increases on lower spinal points. The agreed award is in line with the December 2015 offer upon which the MTFP had already been based and therefore no amendments are required in this respect. A further refresh of the pay calculation will take place in the autumn, to reflect the shape of the workforce at that time and to factor in confirmed Voluntary Living Wage uplift which is usually announced in November. The National Living wage is an area that will need to be kept under close review in coming months. Whilst the impact on Cardiff's own workforce in this respect is anticipated to be minimal given that the Council is already a Voluntary Living Wage Organisation, the impact on external pricing, especially in the area of Social Services could result in significant pressures.

45. An update to the capital financing figures has been undertaken resulting in a £335,000 reduction to the estimated requirement for 2017/18. The update reflects the fact that as part of 2015/16 outturn, premia in relation to repayment of debt rescheduling were charged to the revenue account in full. This released the commitment within the capital financing budget to repay these sums over future years.

46. The Chancellor's March budget announced a reduction in the discount rate used to set employer contributions to unfunded public service pension schemes from 3% above CPI to 2.8% above CPI. This is expected to impact on employers from April 2019. As a funded scheme, the Local Government Pension Scheme (LGPS) will not be affected however, as an unfunded scheme, the Teacher's Pension Scheme will be affected. The estimated impact on the Teacher's pension budget for inclusion in 2019/20 within the MTFP is currently £1.7 million. This is based on an estimated Superannuation Rate of 18.10% in September 2019.

47. MTFP estimates in respect of pupil numbers have been refreshed to update year group funding values, and year group AWPU values as per the 2016/17 delegated schools funding formula. Mainstream pupil numbers have been reviewed with January 2016 PLASC data used to estimate pupil numbers at 2016. These changes suggest a required increase of £240,000 to figures included in the first year of the MTFP. This is offset by a minor increase in estimated Special Resource Base growth requirements having taken into

account SEN review proposals. The net impact is a £202,000 increase in demographic pressure for 2017/18. It is not proposed that this increase is reflected within the budget reduction requirement at this stage. This is because in 2015/16 actual expenditure in relation to other schools' growth areas, specifically School Breakfast Initiatives and Free School Meals were lower than anticipated. Further review is due to take place but it is anticipated that sums included in the plan for the latter areas can redirected into pupil number growth upon September refresh.

48. The Apprenticeship Levy was scheduled for refresh during the first quarter in order to reflect within the MTFP any further clarity that might have emerged with regards the detailed operation of the scheme. It is confirmed that the levy will apply to both public and private sector employers at a rate of 0.5% on pay-bills in excess of £3 million and it is anticipated that Wales' share of the funding will be allocated in line with the Barnett Formula although this remains to be confirmed. However, WG have yet to confirm how they will distribute the fund in support of Welsh apprenticeships. This area will be kept under review as the year progresses.

49. The voluntary redundancy realignment was scheduled for refresh during the first quarter of the year in order to reflect the 2015/16 outturn position on severance and its implications for the voluntary severance model. The 2015/16 outturn on voluntary redundancy was less than previously anticipated and in general terms, the number of staff leaving the Council on voluntary redundancy has fallen in recent years. Traditionally, a high proportion of annual savings budgets had been found through reductions in staff posts and restructures. The opportunities for these savings are reducing and less are anticipated in the future unless they are linked to technological reform. The medium term plan had already reflected a significant reduction in severance requirements over the first two years of the plan. Opportunity was taken from the lower than anticipated 2015/16 severance cost to make early repayment in respect of sums previously borrowed from reserves and this resulted in an increase in 2017/18 addressable spend savings as outlined in a subsequent section of this report. However, releasing higher sums in the first year of the plan will reduce the level of reduction originally planned in 2018/19, and this is reflected in the update.

50. Taking into account the updates outlined above, the updated Medium Term budget gap upon which this Report is based is £75.297 million. The increase since February 2016 is largely the result of an estimated increase in Teachers Pension costs in 2019/20 based on announcements in the Chancellor's March 2016 budget. The budget reduction requirement for 2017/18 has reduced slightly to £24.328 million; a result of decisions taken at outturn 2015/16 to repay premia in respect of debt rescheduling. This is summarised in the following table:-

| | Updated Medium Term Budget Gap | | | |
|---|---|---|---|---|
| | **2017/18 £000** | **2018/19 £000** | **2019/20 £000** | **TOTAL £000** |
| **Medium Term Budget Gap at Feb 2016** | 24,663 | 22,831 | 25,753 | **73,247** |
| Capital Financing Update | (335) | | | **(335)** |
| Teachers' Pension Scheme Update | | | 1,700 | **1,700** |
| Voluntary Severance | | 685 | | **685** |
| **Medium Term Budget Gap at July 2016** | 24,328 | 23,516 | 27,453 | **75,297** |

## Approach to Budget Strategy

### Recap of 2016/17 Position

51. The February 2016 Budget Report identified a final budget gap of £33m for 2016/17. The approved budget addressed this shortfall through savings amounting to £28.835 million and a 3.7% increase in the rate of Council Tax.

52. The Budget Strategy for 2016/17 involved a marked shift from incremental budgeting, with the adoption of an approach that was aimed at understanding services at their most basic level, facilitating discussion on corporate priorities and the future shape of the organisation and considering how base budgets could be reshaped accordingly. These discussions resulted in a framework for directorate savings targets over both one and three years, recognising that flexibility would be required to review and adapt the incidence of savings as detailed budget work progressed and to reflect emerging issues. The better than anticipated 2016/17 funding settlement which has already been referred to above, provided an opportunity for further review and in unpacking its impact the Council sought to improve financial resilience for 2016/17 and beyond in a number of respects. These included: -

    i) **Review of budget planning assumptions** – to reduce the use of one year only solutions, to take out areas of high risk and to support key corporate priorities

    ii) **Reduction of future risk** – through introduction of a new mechanism to improve financial resilience and enable one off investment and development in priority areas

    iii) **Review financial pressures** – to address emerging risk areas, to review areas of high risk or uncertainty and to address corporate priorities

    iv) **Review savings proposals** – to address the pace and scale of the most challenging 2016/17savings proposals and to improve the financial position for 2017/18 and beyond by re-profiling some proposals back to later years. It should also be noted that savings proposals in respect of prior years that were recognised as no longer being technically

achievable, were written out as part of the 2016/17 budget process.

**Overview of Approach – 2017/18 and Beyond**

53. The 2016/17 approach has provided a sound foundation from which to take forward detailed work on the 2017/18 Budget Strategy. In particular, the more detailed response to the medium term budget reduction requirement outlined in the 2016/17 Budget Report has enabled work to commence on development and review of proposals earlier in the year, without the need to revisit a detailed target-setting exercise.

54. Preparation for the 2017/18 Budget has sought to build on the momentum generated in 2016/17 by bringing forward the usual focus for Budget Strategy Tasks by at least one quarter. Directorates are currently in the process of developing more detailed savings plans and testing achievability, a process that will need to be closely informed by the progress towards 2016/17 savings.

55. As part of ongoing work in relation to Budget Strategy, the budget reduction requirement is kept under close review and as part of first quarter work on the budget, review, update and refresh has taken place as described in earlier sections.

56. There are two key areas of focus in addressing the budget reduction requirement and Budget Strategy development is aimed at identifying a combination of these that strikes a suitable balance between statutory duty, corporate priorities and financial resilience. The two areas are outlined below with greater detail included in subsequent sections of the Report.

    1. **Set a framework for assumptions around a) Council Tax Income b) Restrictions to Schools Growth and c) Use of Earmarked Reserves**

       The 2017/18 Budget Strategy emphasised that identification of savings from within the Council's controllable base budget will be an insufficient solution to the medium term budget reduction requirement. All areas of the Council's budget, funding sources and cash balances are considered as part of the solution to the budget gap. The detailed consideration that have taken place in respect of these are outlined in paragraphs 62 to 68.

    2. **Reduce Existing Budgets through savings**

       As noted above, the 2016/17 budget process, set a clear direction for savings targets over the medium term and directorates are currently in the process of testing achievability and developing detail in respect of draft 2017/18 savings proposals. Further information on the areas in which savings are being targeted is included in the savings section in this report. It is intended that early consultation on these areas will take place over the summer as part of the "Ask Cardiff" survey and that this will pave the way for more detailed consultation in the autumn, at which point the Council should also be in receipt of the 2017/18 Provisional Settlement.

57. The budget timetable is predicated upon directorates undertaking further work on 2018/19 proposals over the summer to enable collective review and discussion by Senior Management Team and Cabinet during the autumn.

Focus will then shift to more detailed target setting for 2019/20. Over the winter months, work will commence on rolling the MTFP forward one year into 2020/21 for inclusion in the February 2017 Budget Report. A brief overview of this timetable is included overleaf.

| | HIGH LEVEL BUDGET STRATEGY TASKS | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|
| 2017/18 | Update budget reduction requirement | | | | | | | | | |
| | Develop detailed 2017/18 approach & timetable | | | | | | | | | |
| | Commence detailed review of Existing Savings Framework | | | | | | | | | |
| | Challenge and Due Diligence | | | | | | | | | |
| | Consider progress towards 2016/17 proposals | | | | | | | | | |
| | Detailed discussion - (SMT/Cabinet) | | | | | | | | | |
| | Consult on general themes | | | | | | | | | |
| | Consult on detailed proposals (post settlement) | | | | | | | | | |
| 2018/19 | Existing savings framework (18/19) – high level review | | | | | | | | | |
| | High Level Adjustment to Existing framework | | | | | | | | | |
| | Detailed development of proposals | | | | | | | | | |
| | Discussion, challenge and due diligence | | | | | | | | | |
| 2019/20 | Revisit detailed target setting | | | | | | | | | |

**Budget Strategy to Address Medium Term Reduction Requirement (Budget Report 2016/17)**

58. As noted in earlier sections, the 2016/17 Budget Strategy set the direction of travel for addressing the level of savings required over the medium term through the adoption of an approach aimed at understanding services at their most basic level and considering how base budgets could be reshaped over the medium term. These discussions resulted in a framework for directorate savings targets over both one and three years, recognising that flexibility would be required to review and adapt the incidence of savings as detailed budget work progressed and to reflect emerging issues.

59. The February 2016 Budget Report set out the framework for savings which emanated from this exercise and outlined Budget Strategy Assumptions for the medium term. These included:-

- An annual cap on schools' non-demographic growth of 30% per annum
- A council tax increase of 3.7% per annum in line with the 2016/17 increase
- An annual draw down from reserves of £1.5 million which was a sum considered to strike a balance between protecting financial resilience and

facilitating a balanced budget.

60. A reminder of the budget strategy assumptions and framework for savings that were included in the 2016/17 Budget Report are set out in the table below.

**Budget Strategy Overview (at 2016/17 Budget Report)**

| | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 | TOTAL £000 |
|---|---|---|---|---|
| **Budget Reduction Requirement** | **24,663** | **22,831** | **25,753** | **73,247** |

| **Strategy to Address Budget Reduction Requirement Per 2016/17 Budget Report** | | | | |
|---|---|---|---|---|
| **Budget Strategy Assumptions** | | | | |
| Cap on Schools Growth - @ 30% | 1,253 | 1,163 | 1,073 | **3,489** |
| Council tax at 3.7% | 4,451 | 4,616 | 4,786 | **13,853** |
| Use of Earmarked Reserves | 1,500 | 1,500 | 1,500 | **4,500** |
| **Total Assumptions** | **7,204** | **7,279** | **7,359** | **21,842** |
| | | | | |
| **Addressable Spend Savings** | **3,000** | **3,000** | **3,000** | **9,000** |
| **Directorate Savings** | | | | |
| Being a Commercially Minded Council | 7,787 | 7,472 | 9,388 | **24,647** |
| Ensuring Public Services are Accessible | 583 | 645 | 810 | **2,038** |
| Greater Alignment of our Services | 3,296 | 3,198 | 4,018 | **10,512** |
| Targeting Services and Early Intervention | 2,793 | 1,237 | 1,178 | **5,208** |
| **Total Directorate Savings** | **14,459** | **12,552** | **15,394** | **42,405** |
| **Total Strategy to Address Gap** | **24,663** | **22,831** | **25,753** | **73,247** |

61. The next section sets out how the above position has been updated in preparing this report in order to reflect:-

1. Review of budget strategy assumptions
2. Review of the savings framework to reflect work that is ongoing within directorates to test the achievability of savings proposals and develop more detailed savings plans; a process that will need to be closely informed by the progress towards 2016/17 savings.
3. The increase of the budget gap to £75.3 million over the three year period with a £335,000 reduction in the requirement for 2017/18

**Budget Strategy to Address Medium Term Reduction Requirement – Updated**

62. Budget Assumptions represent almost 30% of the proposed approach to address the budget reduction requirement and are therefore a material part of Budget Strategy. Assumptions will need to be revisited frequently throughout the budget process to ensure their ongoing achievability and acceptability. Any

changes will have a significant impact on medium term savings requirements. As part of the preparatory work for this Report, assumptions have been reviewed as summarised below.

63. The updated MTFP includes total growth of £23.7 million in respect of Schools budgets. The table below analyses the components of this sum.

| | Medium Term Budget Gap | | | |
|---|---|---|---|---|
| | **2017/18 £000** | **2018/19 £000** | **2019/20 £000** | **TOTAL £000** |
| Demographic Growth (Mainstream Pupil Numbers and Special Schools Places Purchased) | 2,428 | 2,112 | 2,569 | **7,109** |
| Other Demographic Pressures (Needs) | 1,167 | 1,062 | 1,042 | **3,271** |
| Pay and Price Inflation | 4,175 | 3,875 | 5,275 | **13,325** |
| **Total Growth** | **7,770** | **7,049** | **8,886** | **23,705** |
| | | | | |
| **30% cap on pay and price inflation** | **(1,253)** | **(1,163)** | **(1,582)** | **(3,999)** |
| | | | | |
| **Net Schools Growth** | **6,517** | **5,886** | **7,304** | **19,706** |
| **Percentage of Schools Budget** | **3%** | **2.6%** | **3.2%** | **9.1%** |

64. The Budget Strategy is predicated upon Schools being awarded 100% of the demographic growth relating to mainstream pupil numbers and their associated needs with annual non-demographic growth capped by 30% as illustrated above. Whilst this approach is consistent with the direction set in the February 2016/17 Budget Report, it should be noted that in terms of quantum, the value of the cap has increased by £0.5 million in 2019/20. This is a direct result of the £1.7 million increase to non-demographic growth in that year to reflect announcements made in the Chancellor's March 2016 budget with regards unfunded pension schemes.

65. After application of the cap, the budget strategy provides £19.7 million growth for schools over the three year plan period, in alignment with the corporate plan priority to provide better education and skills and ensure that every Cardiff school is a good school. This investment is equivalent to 9.1% of the existing schools budget and will increase schools' budgets from £216 million to £236 million over the plan period. There are currently no official announcements in respect of future Welsh Government protection requirements and this area will be kept under review as the year progresses.

66. The assumption of a 3.7% annual council tax increase, generating net income of £13.853 million, has been retained over the life of the plan. This assumption will be revisited at intervals throughout the year including at provisional settlement when the overall funding position for 2017/18 is afforded more clarity and in December 2016 when the Council tax base is set.

67. The assumption of an annual reserve draw-down of £1.5 million per annum has also been retained. In line with best practice, careful annual scrutiny is given to earmarked reserves, their planned profile of use and the specific reserves for release in support of general budget funding. In addition to the use of £1.5 million as set out above, ongoing budget work will consider the extent to which earmarked reserves may be used to support the delivery of specific savings proposals by providing one-off funding to cover an element of lead-in time.

68. The above updates result in a revised set of budget assumptions as highlighted below. This leaves a total of £52.945 million to be identified through savings over three years, with £17.124 million in 2017/18.

| | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 | TOTAL £000 |
|---|---|---|---|---|
| **Updated Budget Reduction Requirement** | **24,328** | **23,516** | **27,453** | **75,297** |
| **Budget Strategy Assumptions** | | | | |
| Cap on Schools Growth - @ 30% | 1,253 | 1,163 | 1,583 | **3,999** |
| Council tax at 3.7% | 4,451 | 4,616 | 4,786 | **13,853** |
| Use of Earmarked Reserves | 1,500 | 1,500 | 1,500 | **4,500** |
| **Total Assumptions** | **7,204** | **7,279** | **7,869** | **22,352** |
| **Amount to be identified through Savings** | **17,124** | **16,237** | **19,584** | **52,945** |

**Addressable Spend**

69. The 2016/17 Budget Report set a target of £3 million per annum to be found from areas of addressable spend. The term addressable spend is used to refer to components of the Council's budget in which it is more difficult for individual directorate to propose savings. This is for a number of reasons, some examples of which are that budgets in this area are :-

1. Delegated to schools and have previously been the subject of WG protection and are experiencing significant demographic pressure

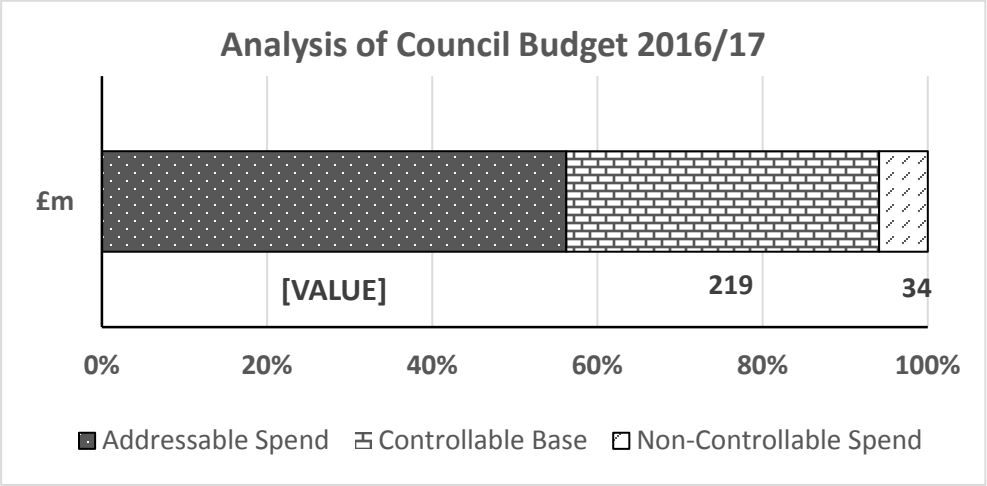
2. Externally set such as the £17 million fire levy budget

3. Are a part of corporate financial planning and resilience, for example the £5 million insurance budget

4. Are necessary to service debt, for example the £37 million capital financing budget required to support borrowing in relation to the capital programme

70. The graph overleaf illustrates that these budgets accounts for 56% of the Council's overall cash limit. Therefore, whilst they are more difficult to cut, they cannot be ignored in setting the Council's budget strategy. The Councils' controllable savings base, also highlighted in the graph below has made significant savings over many years. It contains areas of statutory duty and significant demand pressures including the Social Services budget of over £140

million. The controllable base budget will not be capable of meeting the future budget gap in isolation whilst maintaining statutory responsibilities and this is highlighted further in the future outlook section.




71. In order to ensure that addressable spend budgets are given appropriate consideration as part of the budget solution a three pronged approach is adopted.

i) The contribution that delegated school's budgets play in respect of budget strategy are set as part of budget strategy assumptions through a cap on school's non-demographic growth. This ensures that adequate visibility and discussion is afforded to the need to invest in schools to recognise both WG protection requirements and Corporate Plan priorities but that this needs to be balanced to reflect that the School's budget accounts for 37% of the Council's overall budget.

ii) Some addressable spend budgets are highly technical in nature such as the capital financing budget which is interlinked with decisions on the capital programme and fluctuate upwards or downwards based on the contents of the capital programme and other external factors such as interest rates. Budgets of this nature are scheduled for regular review and refresh of the budget reduction requirement to ensure appropriate ongoing challenge

iii) Finally, some areas are corporate in nature, such as savings contingency budgets, insurance budgets, property budgets and levy budgets whilst others have a dual directorate emphasis such as school transport. The Council has identified champions in these areas (Elected Member and SMT) in order to proactively identify and drive out savings. The 2016/17 Budget Report targeted £3 million per annum in this respect. These savings are termed addressable spend savings and involve the Council taking proactive measures to reduce these budgets. This is distinct from annual budget fluctuations or realignments which would be captured as changes to the budget gap.

72. It was noted above that in setting this budget strategy report, the Council has taken into account the 2015/16 Outturn Report. As part of 2015/16 outturn, the Council took proactive steps to make early repayments in respect of sums borrowed from earmarked reserves in respect of voluntary redundancy and to

the pension fund in respect of pension strain payments. This has had the effect of increasing the addressable spend savings anticipated for 2017/18 to £3.9 million. This is reflected in the Budget Strategy below and leaves a residual sum of £43 million to be found from directorate savings over the three-year period with £13 million in 2017/18.

| | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 | TOTAL £000 |
|---|---|---|---|---|
| **Updated Budget Reduction Requirement** | **24,328** | **23,516** | **27,453** | **75,297** |
| **Budget Strategy Assumptions** | | | | |
| Cap on Schools Growth - @ 30% | 1,253 | 1,163 | 1,583 | **3,999** |
| Council tax at 3.7% | 4,451 | 4,616 | 4,786 | **13,853** |
| Use of Earmarked Reserves | 1,500 | 1,500 | 1,500 | **4,500** |
| **Total Assumptions** | **7,204** | **7,279** | **7,869** | **22,352** |
| **Addressable Spend Savings** | **3,910** | **3,000** | **3,000** | **9,910** |
| **Directorate Savings Required** | **13,214** | **13,237** | **16,584** | **43,035** |

73. The 2016/17 Budget Report identified the framework for directorate savings set out in the following table. These were identified in the directorate clusters and savings themes. As noted above, this framework emanated from the 2016/17 approach to budget strategy which involved a collaborative approach to target setting and understanding of how budgets would be reshaped over the medium term.

| | 2017/18 | | | | 2018/19 | 2019/20 | TOTAL |
|---|---|---|---|---|---|---|---|
| **Savings Theme** | **Comm's & Wellbeing £000** | **Place £000** | **Corporate £000** | **Total £000** | **£000** | **£000** | **£000** |
| Being a Commercially Minded Council | 4,428 | 2,757 | 602 | **7,787** | **7,472** | **9,388** | **24,647** |
| Ensuring Public Services area Accessible | 150 | 50 | 383 | **583** | **645** | **810** | **2,038** |
| Greater Alignment of Services | 1,472 | 1,003 | 821 | **3,296** | **3,198** | **4,018** | **10,512** |
| Targeting Services and Early Intervention | 2,793 | 0 | 0 | **2,793** | **1,237** | **1,178** | **5,208** |
| **TOTAL** | **8,843** | **3,810** | **1,806** | **14,459** | **12,552** | **15,394** | **42,405** |

74. As part of budget strategy work during the first quarter of 2016/17, directorates have commenced work on reviewing the savings framework. It was accepted at the outset of the 2016/17 process that directorates would need to be given the flexibility to adjust and amend this framework as time progressed to take account of emerging issues and, given that proposals build on proposals in the current year, to take account of in-year progress towards savings.

75. The revised framework for savings for 2017/18 and beyond is set out below. The themes used in the 2016/17 Budget Report have been updated to align with general budgetary questions that will form part of the Ask Cardiff consultation over the summer months. The ethos of the themes is broadly consistent with those used in the budget report but should provide additional clarity to members of the public. There is also synergy between these themes and the Council's corporate plan priorities.

| | 2017/18 | | | |
|---|---|---|---|---|
| | Comms & WellBeing £000 | Place £000 | Corporate £000 | Total £000 |
| Income Generation | 1,127 | 1,289 | 391 | 2,807 |
| Working with Partners & Others | 727 | 1109 | 0 | 1,836 |
| Use of Technology | 200 | 138 | 372 | 710 |
| Review of Subsidies and Grants | 473 | 245 | 134 | 852 |
| Internally Facing Proposals | 3557 | 837 | 670 | 5,064 |
| Second/Third year of Proposals | 2709 | 0 | 89 | 2,798 |
| **TOTAL** | **8,793** | **3,618** | **1,656** | **14,067** |

| | |
|---|---|
| **TARGET** | **13,214** |
| **DIFFERENCE** | **(853)** |

76. The above table shows an overprovision of savings in relation to 2017/18. In undertaking this work, directorates were asked to maintain the overall figure targeted for them within the existing savings framework. The over-provision provides flexibility to test and address the achievability of savings and to take account of consultation feedback, reviewing the potential to delay some to later years if required. The following table sets out the updated position over three years. As noted in the earlier section on approach, detailed review of 2018/19 savings will take place over the summer followed by further review of 2019/20 over the autumn, which at present is more general in nature.

| | 2017/18 and 2018/19 | | | 2019/20 | |
|---|---|---|---|---|---|
| | Comms & WellBeing £000 | Place £000 | Corporate £000 | TBC £000 | Total £000 |
| Income Generation | 1,906 | 1,640 | 894 | 2,738 | 7,178 |
| Working with Partners & Others | 2,959 | 1,247 | 2,189 | 3,944 | 10,339 |
| Use of Technology | 425 | 558 | 672 | 1,021 | 2,676 |
| Review of Subsidies and Grants | 723 | 405 | 173 | 802 | 2,103 |
| Internally Facing Proposals | 5,007 | 2,127 | 1,121 | 5,091 | 13,346 |
| Second/Third year of Proposals | 3,576 | 0 | 89 | 2,260 | 5,925 |
| Service Reduction/Redesign | 520 | 0 | 388 | 560 | 1,468 |
| **TOTAL** | **15,116** | **5,977** | **5,526** | **16,416** | **43,035** |

| | |
|---|---|
| **TARGET** | **43,035** |
| **DIFFERENCE** | **0** |

77. The themes identify that, as in recent years, income generation is a key driver for the Council. It should be noted that as the Council pushes forward to develop a more commercial approach, significant elements of the Council's existing income budget will no longer fall under the Council's control. It is reasonable therefore to assume, that as the Council reshapes itself and progresses with alternative delivery models, the scope to generate income will

be affected. It is important to bear in mind that as the Council reshapes itself, the nature of savings and key savings drivers will need to shift focus too and this will play an important part in the review of the 2019/20 position later in the year.

## Summary Overview

78. The table on the next page draws together the detailed consideration of all aspects of Budget Strategy set out in earlier sections into a summarised overview.

| Estimated Budget Reduction Requirement | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 | TOTAL £000 |
|---|---|---|---|---|
| Pay and Price Inflation | 6,445 | 5,840 | 5,464 | **17,749** |
| Schools Growth | 7,770 | 7,049 | 8,886 | **23,705** |
| Capital Financing, Commitments & Realignments | -3,120 | -493 | 2,067 | **-1,546** |
| Non Schools Demographic Growth | 3,900 | 3,900 | 3,900 | **11,700** |
| Emerging Financial Pressures | 3,000 | 3,000 | 3,000 | **9,000** |
| Fall out of 2016/17 Reserve Funding | 2,070 | 0 | 0 | **2,070** |
| Estimated 1% funding reduction | 4,263 | 4,220 | 4,136 | **12,619** |
| **Budget Reduction Requirement** | **24,328** | **23,516** | **27,453** | **75,297** |

| Strategy to Address Budget Reduction Requirement | | | | |
|---|---|---|---|---|
| **Budget Strategy Assumptions** | | | | |
| Cap on Schools Non-Demographic Growth @ 30% | 1,253 | 1,163 | 1,583 | **3,999** |
| Council tax at 3.7% | 4,451 | 4,616 | 4,786 | **13,853** |
| Use of Earmarked Reserves | 1,500 | 1,500 | 1,500 | **4,500** |
| **Total Assumptions** | **7,204** | **7,279** | **7,869** | **22,352** |
| | | | | |
| **Addressable Spend Savings** | **3,910** | **3,000** | **3,000** | **9,910** |
| **Directorate Savings** | | | | |
| Income Generation | 2,807 | 1,633 | 2,738 | 7,178 |
| Working with Partners & Others | 1,836 | 4,559 | 3,944 | 10,339 |
| Use of Technology | 710 | 945 | 1,021 | 2,676 |
| Review of Subsidies and Grants | 852 | 449 | 802 | 2,103 |
| Internally Facing Proposals | 5,064 | 3,191 | 5,091 | 13,346 |
| Second/Third year of Proposals | 2,798 | 867 | 2,260 | 5,925 |
| Service Reduction/Redesign | | 908 | 560 | 1,468 |
| **Total Directorate Savings** | **14,067** | **12,552** | **16,416** | **43,035** |

| | | | | |
|---|---|---|---|---|
| **Total Strategy to Address Gap** | **-853** | **685** | **168** | **0** |

**Medium Term Financial Plan Scenario Analysis**

79. The base case scenario was underpinned by a year on year AEF reduction of 1% over the next three years. A sensitivity analysis has been undertaken around some of the key variables of the plan to consider a worst case scenario. These included:-

- The possibility of annual AEF reduction of 2% compared to the 1% included in the base case
- A more pessimistic outcome of the Actuarial Review
- A higher percentage of people opting to remain in the LGPS upon auto-enrolment
- Pay award of 2% compared to the 1% within the MTFP base case.

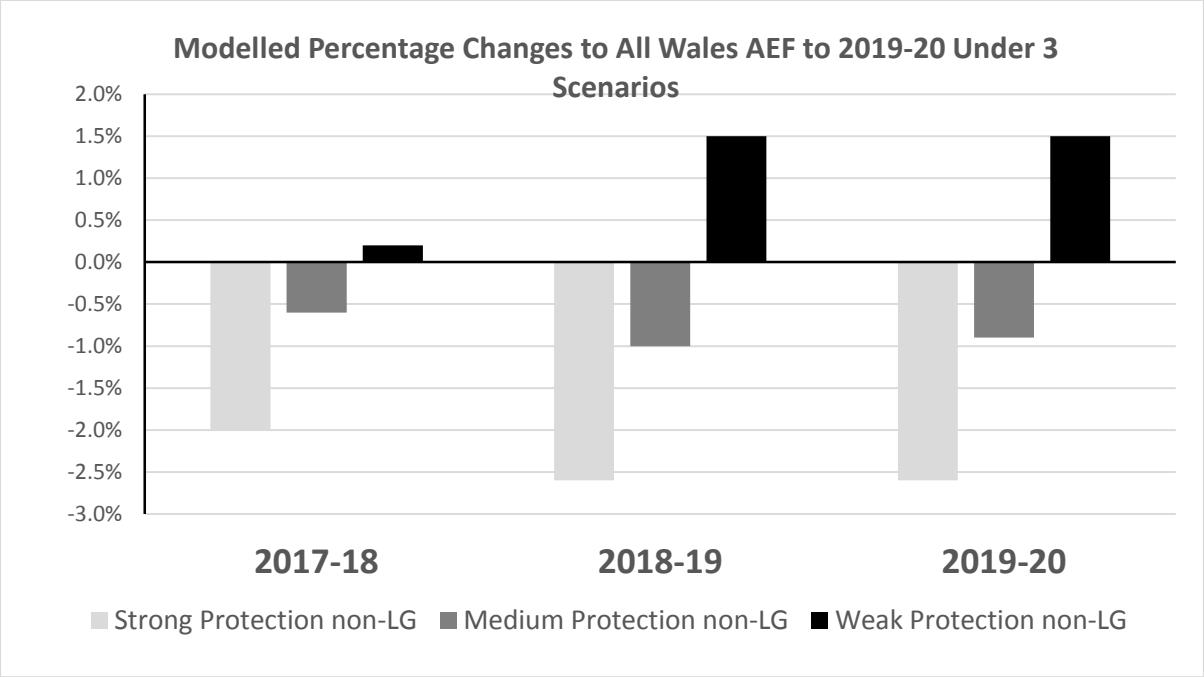
80. The possibility of a 2% pay award for non-teaching staff has now been removed as the pay award for 2017/18 has been agreed. The worst case scenario has been updated in this respect and an updated position is set out below.

| **Worst Case Scenario** | **2017/18 £000** | **2018/19 £000** | **2019/20 £000** | **TOTAL £000** |
|---|---|---|---|---|
| **Base Case MTFP Position** | **24,328** | **23,516** | **27,453** | **75,297** |
| Changes: | | | | |
| AEF | 4,263 | 4,220 | 4,136 | 12,619 |
| Pay Award | 1,700 | 3,200 | 3,150 | 8,050 |
| Pensions Issues - actuarial | 1,055 | 1,055 | 680 | 2,790 |
| **Revised MTFP Shortfall** | **31,346** | **31,991** | **35,419** | **98,756** |

81. The key areas of risk relate to fluctuations in pay award and future funding levels. With regards pay award, in his Summer 2015 budget the Chancellor stated that up until 2020, he would make provision for pay awards of 1%. This extrapolates the general theme of restraint in public sector pay over the medium term. Whilst this indicates the Chancellor's intended provision for public sector pay, it is not necessarily indicative of the actual pay awards over this period which will be determined by respective bargaining processes. For this reason, the risk of higher awards have been reflected in the worst case scenario for prudence, although could perhaps be considered unlikely.

82. The worst case scenario also considers the possibility of annual funding reductions of 2% per annum compared to the 1% in the base case MTFP. As part of the 2016/17 budget, the Council established a financial resilience mechanism of £4 million. The mechanism is a base budget to be used for one-off investment in areas of corporate priority but would be available for immediate release in future years in the event that settlements are worse than reflected in the base case MTFP. Releasing this mechanism means that the Council could withstand an AEF reduction of 2% in 2017/18, or for example, of up to 1.5% in each of the years 2017/18 and 2018/19 without significantly departing from the existing budget strategy.

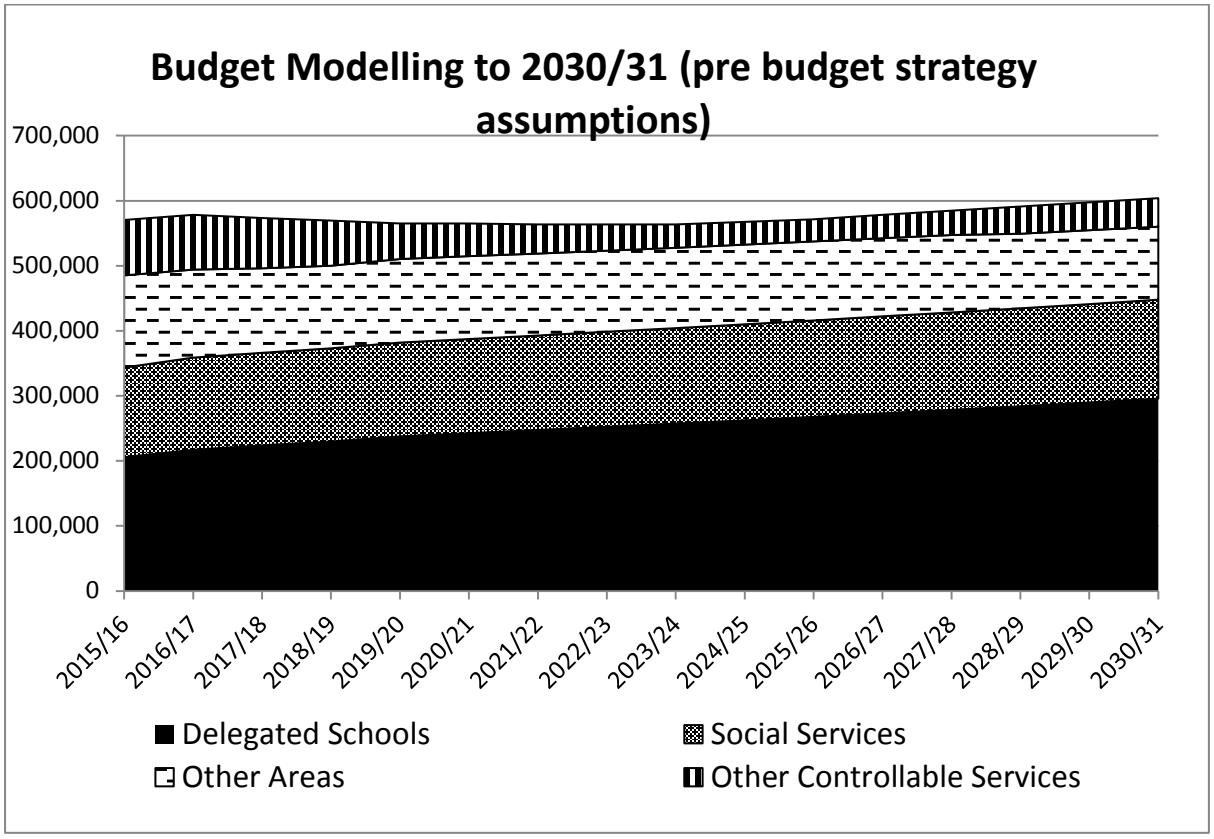
83. The funding levels included within the plan are the Council's interpretation of WLGA modelling. This modelling was based on estimated levels of future Welsh Block Grant and considered various protection scenarios for other parts of the Welsh public sector, setting out weak protection for some areas, medium protection for other areas and strong protection for remaining areas. These are summarised in the WLGA graph below.




84. In the absence of any indicative figures from WG and taking into account the potential range identified in the above modelling, the council's base case assumption of a 1% reduction along with the ability to withstand a further 1% through release of the financial resilience would be sufficient to cover the worse-case scenario for 2017/18 modelled above. It should be noted however, that there are other risks that could have a negative impact on Cardiff's future funding position, the most significant being the potential for redistributive changes within the formula to recognise the sparsity issues raised by more rural Councils in Wales.

**Future Years Outlook**

85. The following chart illustrates the likely shape of the Council's budget moving beyond the life of the current MTFP. Clearly, it is very difficult to predict this far into the future given the inherent uncertainty in key areas. The graph therefore considers the likely envelope of funding and analyses the resultant shape of the budget, if recent trends and current policies are extended over the life of the plan. It shows that controllable base budgets, which themselves contain areas of statutory duty will continue to contract as scarce resources are redirected into growth areas.




86. The graph is before any budget strategy assumptions around capping of schools' growth, council tax increases and use of reserves are taken into account as part of the budgetary solution. The "Other Areas" include addressable spend budgets which, as noted above, are more difficult areas from which to release savings along with non-controllable budgets such as the £28 million Council Tax Support budget. The "Other Areas" also include the capital financing budget and it is of note that no further growth beyond the existing capital programme has been factored into the graph. Consequently, any new approved schemes that are dependent on additional borrowing will further reduce controllable services. The issue of the revenue affordability of the capital programme is considered further in the section on Capital.

87. The graph emphasises some key points from a financial planning perspective:-

- Savings made from the Council's controllable savings base, which itself includes a number of areas of statutory duty will not be a sufficient long term solution to the financial challenge. Solutions outside of this will need to play a key part of the medium term plan. The practice in recent budget rounds of focussing on all areas of addressable spend and robustly reviewing budget strategy assumptions will need to be continued
- At a time when funding levels are static or reducing, growth in one area must inevitably be at the expense of others. Consequently, annual budgetary decisions can have a significant impact on the shape of the Council's budget over an extended time frame. Funding expansion of the capital programme or ongoing investment in schools budgets will necessitate the steeper contraction of budgets in other areas
- It will be important to continue to set clear assumptions and policies at an early enough stage to have the most impact on the future shape of the Council's budget. It may be that policies are considered unaffordable when viewed over an extended time frame

## Consultation and Engagement

88. Consultation on the Council's 2016/17 budget proposals "Changes for Cardiff" ran from 11 December 2015 – 12 January 2016. A number of mechanisms were used to ensure the consultation was as accessible as possible with 5,000 hard copies distributed throughout the city to public buildings and communication to 6,000 Council staff and all Members. The consultation had a significant online presence including a live question and answer session, an online version of the questionnaire and promotion of the consultation to over 75,000 email addresses held by the Council in connection with service delivery and council tax. It was promoted via email to partner organisations, MPs, AMs and neighbourhood partnerships. It was promoted to 8,000 people via the Police Community Messaging Services and communicated to 7,000 Cardiff & Vale University Health Board staff. In addition, 20 community engagement drop-in events were held across the city during the course of the consultation and an engagement forum with the Cardiff Youth Council took place.

89. A full copy of the consultation findings is available as an Appendix to the 2016/17 Budget Report and are available on the Budget Section of the Council's website.

90. The above highlights that the Council places high regard on being open and transparent about the difficult choices faced and wants to provide an opportunity for people to have their say on what is important to them and their communities. The Council's co-operative values focus on fairness, openness and working together and greater consultation, engagement and joint working with citizens are at the heart of these values. Detailed consultation on 2017/18 budget proposals will take place later in the Autumn, once the Council's funding position has been confirmed by the Provisional Settlement. Over the summer months, the Ask Cardiff survey will pave the way for more detailed consultation through inclusion of a number of budget themes.

91. The proposed Budget Timetable Framework for 2017/18 is included at Appendix 2 and refers to the involvement and consultation that will take place throughout the period, in respect of Cardiff Citizens, the third sector, Budget Forum, Scrutiny Committee, Audit Committee Members, Trade Unions and staff together with statutory consultation with schools.

## Engagement

92. Employee engagement at all levels within the organisation continues to be given high priority through Employee Roadshows, Chief Executive "Have Your Say" sessions and a growing employee ambassador network. The Council's values and employee charter are two fundamental concepts, shaped by employee feedback themselves, which provide a firm foundation for a culture which fosters employee engagement on organisational issues. The Employee Charter is reflected as a behavioural objective for all employees. The Council has three established forums to engage directly and work with - employees (ambassadors), managers (Cardiff Manager Forum) and Senior Manager (senior management forum.) In addition, Cardiff Voice Events bring together membership from all three fora.

## Member Engagement

93. Council member engagement with the budget process will continue through regular all-member briefings and Finance Spokesperson sessions. In addition members will take part in budget discussions at Scrutiny Committees and other regular forums.

## Future Developments

94. During 2015, the WLGA and CIPFA appointed an Independent Commission to review the future of Local Government Finance in Wales chaired by Professor Tony Travers. The review was not aimed at undertaking a detailed review of the funding formula, instead the Commission were requested to focus on a broader overview of the system and Welsh Local Government were encouraged to contribute. The over-riding purpose was to examine how local government funding in Wales could be made more sustainable. The outcome was a series of recommendations for potential reform intended to improve how local public services are financed in Wales in ways that also promoted greater self-reliance and local decision-making, encouraged entrepreneurialism and innovation as well as offering stability and reducing dependency on Welsh Government.

95. The recommendations of the Report "Ambition for Change – Aiming Higher" included:-

- Retention of NDR (with safety mechanisms)
- Revaluation of Council tax as soon as possible
- Welsh Government legislation to make it possible for city regions to reform bandings and the ratio of council tax payable band to band
- De-hypothecation of grants
- Further discretion for Authorities on fees and charges
- The establishment of a Welsh OBR to independently review the WG's forecasts of revenue and expenditure including the assumptions around Local Government
- The existing RSG formula be frozen
- The establishment of an Independent Commission to oversee and review the development of a future grant distribution formula

96. It had previously been widely anticipated that Local Government Reorganisation would be the likely point at which the existing Local Government Finance system could be overhauled. However, the future of Local Government Reorganisation (LGR) is currently uncertain. In the Autumn, the MTFP will be rolled forward one year into 2020/21 which was expected to be the first year of operation of merged Authorities. Both potential changes to the Local Government Finance system and update on LGR will need to be kept under close review.

## Future Generations and Wellbeing

97. The Well-being of Future Generations (Wales) Act is aimed at improving the social, economic, environmental and cultural well-being of Wales. It is intended to make public bodies consider the longer term, to work more collaboratively with people and communities and to consider preventative solutions. To assist

public bodies in achieving this vision, the Act sets out seven well-being goals and encapsulates five ways of working as set out below.

| | |
|---|---|
| Wellbeing Goals | • A prosperous Wales<br>• A resilient Wales<br>• A healthier Wales<br>• A more Equal Wales<br>• A Wales of cohesive communities<br>• A Wales of vibrant culture and thriving welsh language<br>• A globally responsible Wales |
| Ways of Working | • Long Term<br>• Prevention<br>• Integration<br>• Collaboration<br>• Involvement |

98. The five ways of working are intended to help bodies ensure that they follow the sustainable development principle which is that "a body must act in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs." In developing further detail around the 2017/18 budget proposals and beyond over the remainder of the year, the Council will need to consider how best to embed these and matters within the financial planning process.

**Capital Programme**

99. The level of support provided by the WG is barely sufficient to meet current annual capital expenditure commitments, meaning that the Council is having to increase its borrowing. In 2016/17 the Council will receive £13.5 million in grant and supported borrowing approval from the WG to be used to determine its own spending priorities for capital items. This is a 35% decrease compared with 2010/11 and the lowest per capita in Wales.

100. Expenditure pressures include:

- Ensuring a sustainable property asset base and that property is fit to deliver service improvements, by addressing the maintenance backlog, disabled access and health and safety requirements
- Meeting the aspirations of directorates to invest in existing assets or create new capital assets in order to improve service delivery and meet pressures of increasing demand.
- The need to maintain the highway and associated infrastructure such as roads, traffic signals, signs, bridges, street lighting and address the backlog of repairs to avoid higher costs in future.
- To continue annual commitments and meet mandatory investment in services such as disabled adaptations, whilst Welsh Government General Capital Funding has been reduced.
- Meeting the economic development, regeneration, employment and capital city aspirations of Cardiff and the region.
- City Deal and other major regeneration projects being developed.
- Requirement for capital investment to meet savings targets, to generate

income, to reshape the way services are delivered and to meet the costs of organisational development.

- Meeting expenditure commitments from capital schemes approved in previous years.
- Implementing the Council's 21st century schools investment programme
- Meeting expenditure commitments pending the generation of capital receipts.
- Sustaining Public Housing Welsh Quality Standards and investment in creation of new Council Housing as part of the Housing Partnering scheme.

101. Whilst additional borrowing to invest may solve a short term problem, borrowing has long term financial implications and must be deemed affordable and sustainable both now, as well as many years into the future. Set against the demand for these capital resources and the current economic climate, tough choices are required, which may include:-

- determining whether a greater share of the Council's future revenue budget will need to be set aside to meet capital investment
- securing better value and outcomes
- ensuring capital investment is not used as a short term substitute for reducing revenue budgets
- undertaking only priority strategic and long term schemes

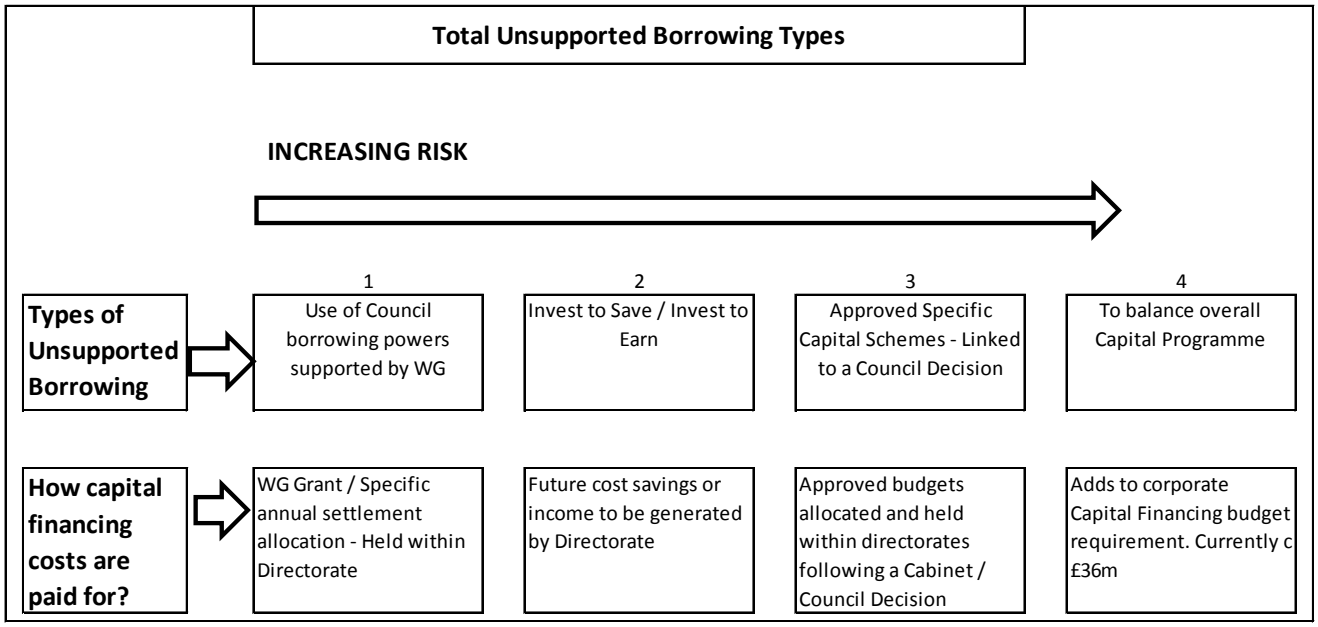
**Borrowing for the Capital Programme**

102. Where capital expenditure has been incurred without a resource to pay for it immediately e.g. via capital receipts, grants or other contributions, this will increase what is termed the Council's Capital Financing Requirement (CFR) or its need to undertake borrowing. The Council is required to make annually from its revenue budget, a prudent provision for the repayment of historic capital expenditure and this reduces the CFR. Calculation of the CFR is summarised in the table below.

| | **Opening Capital Financing Requirement (CFR)** |
|---|---|
| + | Capital expenditure incurred in year |
| - | Grants, contributions, reserves and receipts to pay for capital expenditure |
| - | Prudent Minimum Revenue Provision & Voluntary Repayment |
| **=** | **Closing Capital Financing Requirement (CFR)** |

103. There are two main types of additional borrowing to pay for capital expenditure:-

- 'Supported Borrowing' - costs of servicing this debt are included within the annual Revenue Support Grant (RSG) the Council receives from Welsh Government.
- 'Unsupported Borrowing' – costs of servicing debt to be met by the Council from Council tax, savings, additional income or sale of assets. The types of unsupported borrowing typically undertaken by the Council and how capital financing costs are paid for are shown in the diagram below.




104. It is the Capital Financing Requirement that results in the need to borrow. It is important to note in this regard, that any financial deficit and liabilities of the HRA are ultimately liabilities of the Council.

105. The actual CFR as at 31 March 2016 and estimates for current and future years as set out in the budget report are shown in the following table. The timing of capital expenditure, timing of capital receipts and new schemes that may be considered for approval in future years are risks to the CFR forecast, however it can be seen that the Council's underlying need to borrow is increasing. This will eventually need to be paid for by revenue savings, revenue income or Council Tax and Housing Rents:

| Capital Financing Requirement as at 31 March | | | | | |
|---|---|---|---|---|---|
| | **2016 Actual £m** | **2017 Estimate £m** | **2018 Estimate £m** | **2019 Estimate £m** | **2019 Estimate £m** |
| General Fund | 432 | 459 | 454 | 455 | 455 |
| HRA | 277 | 279 | 296 | 302 | 302 |
| **Overall CFR** | **709** | **738** | **750** | **757** | **757** |

106. This additional borrowing is primarily as a result of:

- Implementing new schemes and allocations and continuing with commitments included in the budget.
- Undertaking invest to save schemes on the assumption that the borrowing will be repaid from future revenue savings or revenue income.
- Use of Council borrowing powers by WG as part of their contribution towards 21st Century Schools investment. Further schemes are in the pipeline including housing development as well as the provision of interest free loans or repayable grants using Financial Flexibility funding available to them for a range of schemes. Whilst welcome where there is linkage between strategic aims of the Council, these schemes use

local authority borrowing powers and present an ongoing risk in terms of increasing the Council's capital expenditure which needs to be paid back.

**Capital Programme and Financial Resilience**

107. As the Council realigns itself strategically to lower funding levels it will need to consider the level of debt and potential financial resilience issues that may be a consequence of increasing borrowing. This is in order to provide flexibility to fund current priorities as well as unknown future obligations.

108. Funding cuts mean debt-servicing costs are increasing as a proportion of revenue spending, presenting a challenge to long-term investment.

109. Continuing to increase the amount it needs to borrow will have a consequential increase on the capital financing budget within the revenue account. In general terms, each £1 million of capital expenditure funded by borrowing, costs £80,000 in the initial years of the revenue budget and that is assuming an excessive asset life of 25 years. In most cases the types of schemes being undertaken by the Council mean that asset life is lower and so cost higher.

110. The impact of capital financing costs is recognised in the Council's MTFP. The budget report for 2016/17 included a local capital financing prudential indicator highlighting the increasing proportion of the Council's controllable revenue budget that it spends on capital financing over the medium term. Borrowing decisions have an impact on current as well as future rent and Council taxpayers in many years to come, so have to be affordable and sustainable now as well as in future.

| **Ratio of Capital Financing Costs expressed as percentage of Controllable Budget** | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **2011/12 Actual %** | **2015/16 Estimate %** | **2016/17 Estimate %** | **2017/18 Estimate %** | **2018/19 Estimate %** | **2019/20 Estimate %** | **2020/21 Estimate %** | **Difference 11/12-20/21 %** |
| Net | 13.47 | 15.42 | 15.79 | 15.27 | 15.53 | 17.00 | 16.82 | 24.87 |
| Gross | 15.17 | 19.13 | 19.94 | 20.31 | 20.80 | 22.51 | 22.37 | 47.46 |

111. In accordance with the principles of invest to save, the net ratio assumes that any costs of undertaking additional investment are recovered over time from directorate budgets, capital receipts or other budgets. The gross ratio indicates the gross capital financing cost as a percentage of the total base budget i.e. it represents a worst case scenario.

112. Encouragement has been given to invest to save schemes such as energy generation as well as invest to save schemes such as ADM leisure and there are other opportunities currently being considered. Whilst such schemes are important to revenue income opportunities, they carry a significant level of risk in terms of over exposure to borrowing, repayment of which may be affected by future uncertain events. Unlike the HRA, where there is a debt cap in place from HM Treasury, the budget proposals may consider a maximum limit to exposure of borrowing for 'Discretionary' type services/ activities on such invest to save type schemes for the Council Fund.

113. Accordingly, additional borrowing is not sustainable in the long term and will need to be a factor considered by Members when determining the current and future Capital Programme along with:-

- The Prudential Indicators highlighting longer term impact of capital decisions on the revenue budget and affordability, prudence and sustainability.
- Consideration of potential initiatives not currently included in the Capital Programme.
- Control mechanisms for different types of unsupported borrowing before approval.
- Determining core areas of long term investment e.g. maximum exposure limits to unsupported borrowing for 'Discretionary' type services.
- Whether the inherent risks in a project are better managed via commercial options rather than direct Council investment.
- The key long term strategic priorities for the city for which investment to be funded by additional borrowing is to be approved.

**Developing the Investment Plan**

114. In formulating the five-year Capital Programme for 2017/18 to 2021/22, a two stage process is to be undertaken.

Stage 1 – Review of existing annual sums and specific individual schemes which are yet to proceed including invest to save schemes included in the approved Capital programme in February 2016. This is to ensure expenditure is in line with approved policy initiatives and in accordance with an approved strategy.

Stage 2 – Consideration of new requests / pressures for additional capital funding, where funding from the Council is demonstrated to be the only solution to meeting investments need. Any such request is to be considered only if it meets the criteria below:-

- deliver statutory and core strategic long term outcomes included in the Corporate Plan
- have undergone a thorough option appraisal
- Investment needs to be made by the Council and cannot be better made by others
- are in accordance with property or other asset management plans proposed by scheme sponsors and have a robust and deliverable profile of expenditure in order to avoid slippage after the programme has been set. This also needs to take into account their ability to deliver schemes, particularly where staffing, external partners or other resources are essential in supporting scheme delivery.
- generates income from capital receipts, revenue savings or external grant

115. It needs to be recognised that the Council cannot do everything and may need to focus limited resources on key statutory and longer term strategic investment priorities.

116. There are also capital expenditure implications of major projects either being or planned to be undertaken by the Council that need to be developed as part of the longer term budget strategy process rather than on an ad hoc basis. This is so a longer term investment strategy can be developed to determine whether everything that the Council would like to do is affordable by the Council doing it itself or whether alternative means need to be considered. Examples include continuing development of Cardiff International Sports Village and Cardiff Enterprise Zone development.

**Capital Receipts**

117. As set out by the Section151 Officer in previous budget proposals-

*"Within this financial climate of reducing revenue resources all action necessary must be taken to reduce both initial capital expenditure and the subsequent need to borrow."*

118. Capital receipts are important to increase the affordability of the Capital Programme. In 2016/17 the first call on capital receipts up to £2 million will be to pay for Capital programme commitments, In many cases, capital receipts are earmarked for re-investment e.g. 21st Century Schools Model, Cardiff Enterprise Zone etc. However where this is not the case it is essential to remember that Capital receipts are a Corporate Resource and help to pay for capital investment across Council Directorates.

119. The Council's Corporate Asset Management Plan sets out how the Council intends to reduce its asset base to achieve both capital receipts to reduce borrowing and revenue savings in relation to facilities management costs including repairs and maintenance.

**Reasons for Recommendations**

120. To seek Cabinet approval for the budget strategy in respect of 2017/18 and the MTFP.

121. To note the Budget Timetable Framework and forward this to Council for approval.

**<u>Legal Implications</u>**

122. It is the responsibility of the Cabinet to receive financial forecasts and develop a medium term financial strategy with a view to proposing a Budget for the Council to approve. The report highlights the seriousness of the financial challenges ahead. As stated in the body of the report, it is important that members take note of the statements made by the Section 151 Officer in this regard.

123. There are no general legal issues arising from this report. Specific legal issues will be addressed as part of the proposed budget preparation.

124. The report provides that the proposed Budget Timetable framework for 2017/18 will make provision for consultation. It is important to note that consultation raises the legitimate expectation that any feedback received from the

consultation will be taken into account in developing the proposals consulted upon.

125. In considering this matter and developing the budget proposals regard must be had to the Council's duties under the Equality Act 2010 and appropriate steps taken to ensure that (i) the Council meets the requirements of the Public Sector Equality Duties; and (ii) due regard has been/is taken of the likely impact of decisions in terms of equality and discrimination.

**Financial Implications**

126. The report sets out the budget strategy for 2017/18 and the medium term. It is written a period of prolonged financial restraint. The March 2016 budget set out a worsening economic position to that which underpinned the November 2015 Comprehensive Spending Review (CSR) and real term cuts in public spending will continue in 2017/18 and 2018/19. The outcome of the EU Referendum on 23 June 2016, for Britain to leave the European Union has raised significant uncertainty and speculation regarding the future economic position of the UK. The economic position will need to be closely monitored in the coming months, including the potential for an Emergency UK Budget later in the year which could have implications for the Welsh Block Grant.

127. There are currently no indicative AEF figures for 2017/18. Ongoing budget reductions of the scale required to achieve a balanced position require appropriate lead in times and should be implemented in a planned and rational way. The absence of multi-year settlements is problematic from a financial planning perspective. Settlement timetables are expected to revert back to usual this year, with Provisional Settlement in October. However, an Emergency Budget later in the year could cause disruption in this respect.

128. The Council has had to identify approximately £200 million over the past ten years with further difficult times ahead. Achieving budget reductions on this scale is extremely challenging and requires organisational change, exploration of preventative measures and the adoption of more commercial approaches in untested markets. In challenging change environments, careful monitoring of financial resilience is extremely important and regular review is undertaken in this respect.

129. The financial resilience snapshot at the time of this report shows that reserves have increased from the comparatively low levels in recent years and transfers to reserves undertaken at 2015/16 outturn, address known risk areas such as the potential for waste fines and the uncertainties associated with welfare reform. The 2015/16 outturn position was favourable overall. However, it should be noted that there was an overspend of £4.635 million at directorate level which was partially offset by £4 million general contingency. Delivery of delayed savings as well as achievement of 2016/17 savings will require close monitoring and this has already commenced.

130. The 2016/17 Budget Report identified a budget reduction requirement of £24.6 million for 2017/18 and £73.2 million over the medium term. Refresh and review of the budget gap has been undertaken to reflect developments since February 2016, including the confirmation of pay awards, the 2015/16 outturn position and announcements included in the Chancellor's March 2016 budget. The

updated budget reduction requirement is £24.3 million for 2017/18 and £75.3 million over the medium term.

131. The report sets out the strategy for addressing the budget reduction requirement. Collectively, a cap on schools' non-demographic growth, use of earmarked reserves and an assumed annual council tax increase account for 30% of the proposed solution. These assumptions will continue to be reviewed at frequent intervals throughout the year to ensure their ongoing achievability and acceptability. Directorate and addressable spend savings account for the remaining 70% of the proposed solution. These build upon the savings framework that emanated from the 2016/17 budget process. Further review of this framework will be required as the year progresses and in many cases, development of further detail will need to be informed by in year monitoring and progress towards achievement of 2016/17 savings proposals.

132. The report models a worst case scenario of £31.3 million for 2017/18 and £98.8 million over the medium term. The main variables that contribute to this potential worsening are the potential for pay awards of higher than 1% and the risk that funding settlement may be worse than a reduction of 1% per annum as reflected in the base case MTFP. The Chancellor has indicated that he would provide for pay awards of 1% to 2020. Whilst this cannot pre-empt the bargaining process of respective bodies, pay awards of more than 1% could be considered unlikely given these comments and whilst inflation remains extremely low.

133. With regards funding, WLGA modelling undertaken earlier in the year suggested variable positions for Local Government. These ranged from moderate increases to decrease of -2% to -2.5% dependent on whether WG might opt for weak, medium or strong protection for other parts of the Welsh Public Sector. The Council has established a financial resilience mechanism to help manage funding uncertainty. This is a budget used for one-off investment that is available for immediate release in the event that settlements are worse than modelled in the MTFP. This offers assurance that, all else being equal, the Council could withstand a funding reduction of up to 2% without needing to identify additional savings in the short term.

134. The report sets out that the position in respect of capital is also challenging. Welsh Government support has fallen by 35% since 2010/11 and there are significant pressures on the capital programme, including maintaining highways, meeting mandatory services and addressing corporate priorities. Given that WG support is reducing, additional investment can only be funded through additional borrowing or through the disposal of assets. It is important to note that additional borrowing has affordability implications for revenue. As revenue budgets reduce and capital financing costs increase, interest costs and debt payments account for an increasing proportion of the revenue budget as illustrated in the following table.

| **Ratio of Capital Financing Costs expressed as percentage of Controllable Budget** | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **2011/12 Actual %** | **2015/16 Estimate %** | **2016/17 Estimate %** | **2017/18 Estimate %** | **2018/19 Estimate %** | **2019/20 Estimate %** | **2020/21 Estimate %** | **Difference 11/12-20/21 %** |
| Net | 13.47 | 15.42 | 15.79 | 15.27 | 15.53 | 17.00 | 16.82 | 24.87 |
| Gross | 15.17 | 19.13 | 19.94 | 20.31 | 20.80 | 22.51 | 22.37 | 47.46 |

135. The requirement to meet increasing costs associated with debt can only be met from future savings of from Council tax increases. This clearly limits the scope for further additional borrowing in future years and reduces the Council's overall flexibility when making decisions on the allocation of its revenue resources. Additional borrowing is not sustainable in the long term and consideration must be given to prudential indicators, control mechanisms for different types of unsupported borrowing and core areas of investment.

**HR Implications**

136. The report outlines the continuing and sustained financial restraints that the Council is under including the Government's spending policy assumptions which suggest a sharp acceleration in pace of implied real cuts to day to day spending on public services. The Council's OD Programme remains the driver for reviewing the shape and scope of the organisation and the way in which services are delivered and efficiencies achieved. New service delivery models will need to meet demand pressures and reflect budgetary realities alongside securing further efficiency savings through better collaboration, integration of service delivery and reducing duplication of effort and resources.

137. In addition to previous savings drivers of policy led savings, business process led corporate efficiency savings and discrete directorate led savings, a further driver of income/commercialisation savings has been introduced (i.e. increase discretionary income and exploit new opportunities to sell or trade services).

138. Given the unprecedented level of savings required in 2017/18 and beyond, it will be key that the savings proposals identified are robust and deliverable. The extent of financial challenge in a continued period of restraint will result in savings targets for controllable budgets which will be considerably challenging and will result in significant changes to how local government services are delivered. The ability of the OD Programme to support the Council through this period of radical and sustained change will be key.

139. Whilst it is not possible to provide specific HR implications on future alternative service delivery models (as this will depend on the operating models adopted by the Council), the ongoing budget difficulties will continue to have significant people implications associated with actions necessary to manage the financial pressures facing the Council . As service delivery proposals are developed, there will need to be consultation with employees (those directly and indirectly impacted) and the Trade Unions so that they are fully aware of the proposals, have the opportunity to respond to them and understand the impact that the new model of service will have on them. Further and specific HR implications will be provided when relevant models are proposed. Any proposed reductions in resource levels will be managed in accordance with the Council's recognised policies for restructuring which include, where appropriate, redeployment and voluntary redundancy.

140. The Council's Voluntary Redundancy Scheme, has been widely publicised to employees. Whilst those interested in leaving on this basis (with a post subsequently deleted), should express an interest to do so, a business case to support the exit will still need to be made and signed off. Flexible retirement continues to be another option available and a Sabbatical policy is in place as well as ability to request voluntary reductions in working hours. Redeployment,

access to Cardiff Academy courses and access to the Trade Union Learning Representatives to support members and non members with training and development to support new skill requirements will remain available. Additionally the purchase of Additional Annual Leave Policy remains in place and has provided the opportunity for employees (excluding those based in Schools) to buy up to an additional 10 days annual leave.

141. The Joint Partnership Board will continue to meet fortnightly to facilitate early discussion with Trade Unions on key organisational proposals, with more detailed discussion continuing with employees and trade unions at local directorate level. It is essential that there continues to be appropriate consultation on proposals which are taken forward by the Cabinet. Many of these will have people implications which will need to be considered at an early stage in consultation with the Trade Unions and employees impacted.

**RECOMMENDATIONS**

The Cabinet is recommended to:

(1) Agree the framework for the savings targets on which this Budget Strategy report is based including the use of a targeted approach to meeting the Budget Reduction Requirement both in 2017/18 and across the period of the Medium Term Financial Plan.

(2) Agree that directorates work with the relevant Portfolio Cabinet Member, in consultation with the Corporate Resources Director and Cabinet Member for Resources and Performance Management to identify potential savings to assist in addressing the indicative budget gap of £24.328 million for 2017/18 and £75.297 million across the period of the Medium Term Financial Plan.

(3) Agree that relevant bodies who raise precepts and levies on the Council be formally contacted to request that funding reductions are also fed into these settlements which should be in line with those it is expected that Welsh Government will impose in respect of local authority funding.

(4) Delegate to the Corporate Resources Director in consultation with the Cabinet Member for Corporate Services and Performance the authority to identify an alternative budget gap requirement upon further clarification being provided by the Welsh Government in respect of funding.

(5) Delegate to the Corporate Resources Director in consultation with the Cabinet Member for Corporate Services and Performance the authority to amend the Budget Strategy, once the budget savings proposals have been reviewed, if this amendment does not significantly depart from the underlying principles. Any requirement to significantly depart from these principles would require a further Budget Strategy Report to Cabinet.

(6) Agree that the Council seeks expressions of interest from officers in respect of the voluntary redundancy scheme

(7) Propose that Council agree that the Budget Timetable Framework set out in Appendix 2 be adopted and that the work outlined is progressed with a view to

informing budget preparation.

(8) Agree that there will be a two stage process in relation to consultation on 2017/18 proposals. This will commence with the Ask Cardiff Survey including a section on general budget themes followed by more detailed consultation on 2017/18 proposals later in the Autumn, once there is further clarity on the 2017/18 funding position.

**CHRISTINE SALTER**
Corporate Director
8 July 2016

*The following appendices are attached;*

Appendix 1 – Budget Strategy Frequently Asked Questions

Appendix 2 - Proposed Budget Timetable Framework 2017/18

Appendix 3 – Finance Snapshot – Financial Resilience

*The following background paper has been taken into account:*

2016/17 Budget Report – February 2016

# Budget Strategy Report 2017/18 – Questions and Answers

**What is this about?**

- Each July, the Council sets its Budget Strategy for the following year and medium term.
- This is a brief summary of the Council's July 2016 Budget Strategy Report which covers 2017/18 – 2019/20. You can view the full report online.

**Is the Council still facing challenging times?**

- Yes, things are still extremely challenging.
- The Council is facing significant cost pressures over the next few years
- We believe that funding will continue to reduce – we won't know by exactly how much until Welsh Government confirm in October
- Costs are increasing and funding is falling creating a "budget gap"
- This gap is how much the Council expects to have to find to balance the books

**How much is the Budget Gap?**

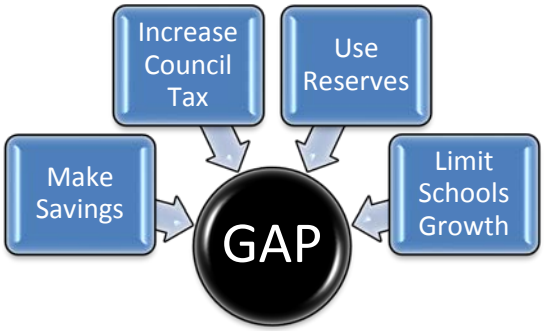
- The budget gap is estimated to be £24 million in 2017/18
- The budget gap is estimated to be £75 million between 2017/18 and 2019/20.

| 2017/18 £m | 2018/19 £m | 2019/20 £m | Total £m |
|---|---|---|---|
| 24 | 24 | 27 | **75** |

- The gap is less than in recent years but £75 million is still a very large sum
- We also need to remember that the Council has already had to find circa £200 million over ten years so each year it gets harder to bridge the gap.

**What can the Council do to plug the Gap?**

- The main things the Council can do to plug the gap are shown in the diagram below.




- Setting a Budget Strategy involves finding a combination of these that is realistic, protects the Council's financial interests and recognises the Council's service priorities.

**How did you develop a strategy?**

- When the Council prepared the 2016/17 Budget Strategy this time last year, it recognised that there were significant challenges still to come.
- The Council considered how it could reshape itself and its budget to meet these challenges to be as prepared as possible
- A framework was developed for a medium term budget strategy and this was set out in the 2016/17 Budget Report last February.
- The 2017/18 Budget Strategy has built on the existing framework and directorates have started to test and update it, putting down further detail now that we are one year further forward.

**What is the Budget Strategy?**

- The Council's budget strategy is:-

| | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 | TOTAL £000 |
|---|---|---|---|---|
| **Budget Strategy** | | | | |
| Limit Schools Growth - @ 30% | 1,253 | 1,163 | 1,583 | **3,999** |
| Council tax at 3.7% | 4,451 | 4,616 | 4,786 | **13,853** |
| Use of Earmarked Reserves | 1,500 | 1,500 | 1,500 | **4,500** |
| Savings | 17,977 | 15,552 | 19,416 | **52,945** |
| **Total Strategy** | **25,181** | **22,831** | **27,285** | **75,297** |

Schools will still receive £19.7m extra

Need to be cautious

To be kept under review

- We believe that schools will require an additonal £23.7 million over 3 years. The budget strategy is based on them receiving all the funding they need as a result of increasing pupil numbers (£10.4m) but extra pressures in relation to pay and prices (£13.3m) will be limited by 30%. Schools budgets are ***not*** being cut, but schools ***are*** being asked to find a part of their additional costs
- Council tax is set at the level of the 2015/16 increase. This will be kept under review throughout the year
- The strategy assumes some use of earmarked reserves but not too much. Using reserves to fund the budget is not a long term solution; similar to using a savings account to buy groceries, once they dry up you have a problem.
- The savings are a combination of directorate savings and corporate or "addressable spend" savings. Further detail is shown below.

**What does this mean for services next year?**
The savings themes included within the budget strategy for 2017/18 are:-

| | Total £000 |
|---|---|
| Income Generation | 2,807 |
| Working with Partners & Others | 1,836 |
| Use of Technology | 710 |
| Review of Subsidies and Grants | 852 |
| Internally Facing Proposals | 8,974 |
| Second/Third year of Proposals | 2,798 |
| **TOTAL** | **17,977** |

Wherever possible, savings themes reflect the Council's goals to become more commercially-focussed, to make better use of technology and to work more closely with others. Effort will be made to reduce external costs and to look for solutions that minimise the impact on front line services. That said, difficult decisions will be required over the medium term and savings will be challenging to achieve.

**How can I have my say?**

- The Council is keen to be open and honest about the difficult choices it faces
- Over the summer you can have your say by responding to a number of budget themed questions that will be included in the "Ask Cardiff" survey. You will find close links to the savings themes shown above.
- This will pave the way for more detailed consultation in the autumn, once we have a better picture of the Welsh Government funding we will receive next year.

**What about Brexit?**

- The short answer is that it is too soon to say but will require close monitoring.
- The economy will be uncertain and potentially volatile in the aftermath of Brexit. We will need to keep a close eye on developments including the potential for an Emergency UK Budget
- An emergency budget could have knock on consequences for Welsh Government and Welsh Local Government both in terms of level of funding and how soon it is confirmed

**What if funding reductions are worse than you've planned?**

- We have no firm funding figures for 2017/18 and that is a key risk.
- We have assumed that funding will reduce by 1% and this is reflected in our budget gap.
- We know we could withstand a further 1% reduction by using a budget that would otherwise be used for one-off investment. This was created in 2016/17 to protect the Council from future funding uncertainties.

**What Next?**

- We will continue to keep the budget gap under review – things change quickly and regular review is an importance part of being prepared
- General consultation during the summer will pave the way for detailed consultation in the autumn
- Over the summer further review of 2017/18 savings themes will take place with development of more detailed individual proposals. Focus will also shift to updating the savings framework for 2018/19 moving to review of 2019/20 over the autumn.

**Appendix 2**

## PROPOSED BUDGET TIMETABLE FRAMEWORK 2017/18

| Date | Budget Strategy |
|---|---|
| July 2016 | Budget Strategy Report considered |
| July-September 2016 | Directorates continue to develop budget proposals |
| October 2016 | Provisional Budget Settlement received |
| October/November 2016 | Consultation on draft budget savings proposals |
| December 2016 | Cabinet approval of Council Tax Base |
| December 2016 | Final Budget Settlement received |
| January 2017 | Fine-tuning of budget proposals and consideration of medium term financial plans |
| February 2017 | Approval of Corporate Plan and Budget |

In addition, throughout this period there will be continued involvement and consultation with Council Tax Payers, the grants sector, the Budget Forum, Scrutiny Committees, Trade Unions employees and statutory consultation with schools

## FINANCIAL SNAPSHOT REPORT - BUDGET STRATEGY VERSION - JULY 2016

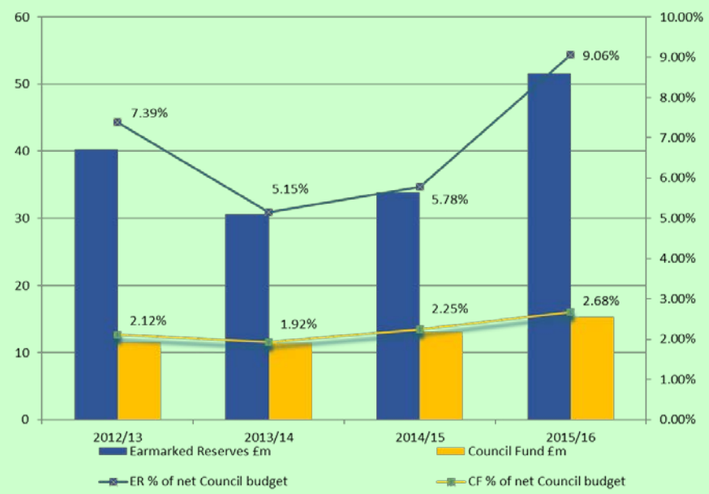
**Appendix 3**

The following tables, charts and figures give an indication of the financial resilience of the Council as per the Statement of Accounts.

The figures below show the outturn position for the 2015/16 financial year for both revenue and capital.

The tables below show the Medium Term Financial Plan (MTFP), the risks and affordability indicators facing the Council.

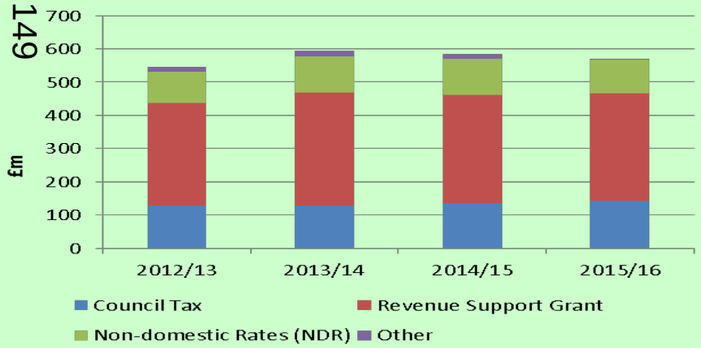
### Level of Council Fund (CF) and Earmarked Reserves (ER)




### Levels of Reserves

| | 2012/13 £000 | 2013/14 £000 | 2014/15 £000 | 2015/16 £000 |
|---|---|---|---|---|
| Earmarked Reserves | 40,319 | 30,559 | 33,824 | 51,637 |
| Council Fund Balance | 11,548 | 11,413 | 13,154 | 15,255 |

### Budgeted Revenue Funding Split



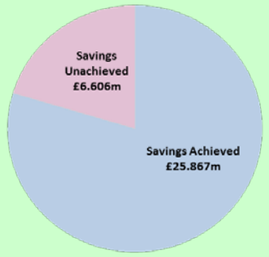

### Other Financial Ratios

| Ratio | 2012/13 | 2013/14 | 2014/15 | 2015/16 |
|---|---|---|---|---|
| Working Capital to Gross Revenue Expenditure (%) | 8.34% | 5.18% | 5.13% | 6.00% |
| Usable Reserves to Gross Revenue Expenditure (%) | 7.46% | 6.43% | 7.16% | 10.07% |
| Earmarked Reserves to Gross Revenue Expenditure (%) | 5.25% | 3.85% | 4.28% | 6.48% |
| Unallocated/General Reserves to Gross Revenue Expenditure (days) | 5 | 5 | 6 | 7 |
| Long-term Borrowing to Long-term Assets (ratio) | 0.22 | 0.25 | 0.24 | 0.35 |
| Long-term Borrowing to Taxation & Non-Specific Grants (ratio) | 0.75 | 0.69 | 0.72 | 1.05 |
| Council Tax Due 15/16 to Taxation & Non-Specific Grants (%) | 25.58% | 23.32% | 25.64% | 27.68% |

### Revenue Outturn Position

| Directorate | Net Expenditure Budget £000 | Final Outturn £000 | Variance £000 | Variance % |
|---|---|---|---|---|
| City Operations | 49,905 | 49,902 | (3) | 0.0% |
| Communities, Housing & CS | 46,255 | 46,089 | (166) | -0.4% |
| Corporate Management | 29,355 | 29,727 | 372 | 1.3% |
| Economic Development | 2,327 | 2,119 | (208) | -8.9% |
| Education & LL | 234,606 | 234,480 | (126) | -0.1% |
| Governance & Legal Services | 4,415 | 4,411 | (4) | -0.1% |
| Resources | 15,852 | 15,600 | (252) | -1.6% |
| Social Services | 137,603 | 142,625 | 5,022 | 3.6% |
| **Total Directorates** | **520,318** | **524,953** | **4,635** | **0.89%** |
| Capital Financing | 35,845 | 35,845 | 0 | 0.0% |
| Discretionary Rate Relief | 300 | 291 | (9) | -3.0% |
| General Contingency | 4,000 | 0 | (4,000) | -100.0% |
| Summary Revenue Account etc. | 9,756 | 9,725 | (31) | -0.3% |
| **Total Net Expenditure** | **570,219** | **570,814** | **595** | **0.10%** |
| Funded by: | | | | |
| Revenue Support Grant | 322,851 | 322,851 | 0 | 0.0% |
| Non-domestic Rates (NDR) | 101,253 | 101,253 | 0 | 0.0% |
| Reserves and Balances | 1,000 | 1,000 | 0 | 0.0% |
| Council Tax | 142,633 | 144,062 | (1,429) | -1.0% |
| Other | 2,482 | 3,344 | (862) | -34.7% |
| **Total Funding** | **570,219** | **572,510** | **(2,291)** | **0** |
| **Net (surplus)/deficit for year** | | | **(1,696)** | |

### Revenue Savings Achieved and Unachieved

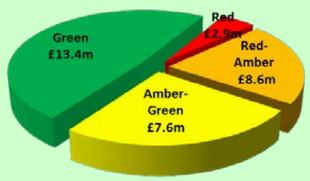



### Capital Outturn Position

| Directorate | Budget £000 | Projected Outturn £000 | Variance £000 | Variance % | (Under)/ Overspend £000 | Slippage £000 |
|---|---|---|---|---|---|---|
| City Operations | 38,433 | 27,312 | (11,121) | -28.9% | 311 | (11,442) |
| Communities, Housing & CS | 15,273 | 14,373 | (900) | -5.9% | 102 | (1,002) |
| Economic Development | 14,168 | 12,842 | (1,326) | -9.4% | 0 | (1,326) |
| Education & LL | 43,272 | 22,685 | (20,587) | -47.6% | (1,824) | (18,763) |
| Governance & Legal Services | 335 | 335 | 0 | 0.0% | 0 | 0 |
| Resources | 6,402 | 4,781 | (1,621) | -25.3% | (523) | (1,098) |
| Social Services | 21 | 21 | 0 | 0.0% | 0 | 0 |
| **Total** | **117,904** | **82,349** | **(35,555)** | **(30.16%)** | **(1,934)** | **(33,631)** |

### Final Budget Proposals 2016/17 Risk Analysis - TOTAL SAVINGS £28.8m

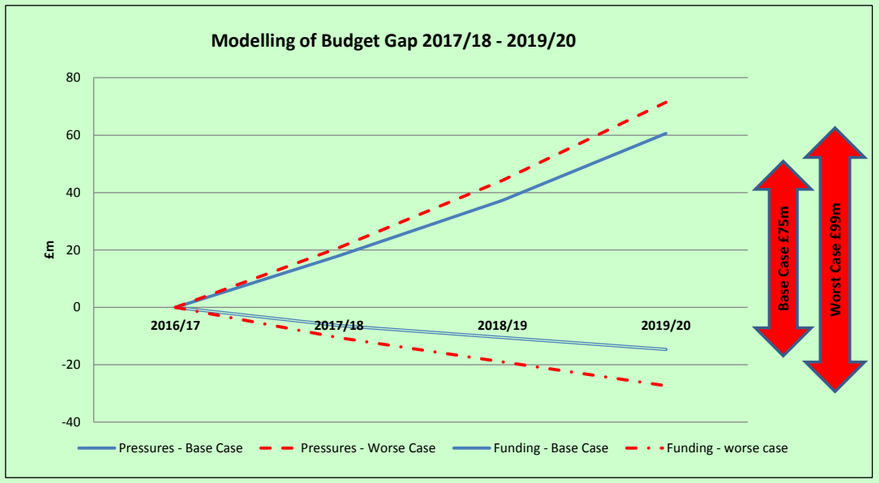





Equality Impact Assessment Risk

### MTFP Scenario

| | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 | TOTAL £000 |
|---|---|---|---|---|
| Financial Pressures | 17,995 | 19,296 | 23317 | **60,608** |
| Funding Reductions | 6,333 | 4,220 | 4136 | **14,689** |
| **Budget Requirement Reduction** | **24,328** | **23,516** | **27453** | **75,297** |
| | | | | |
| Budget Strategy Assumptions | 7,204 | 7,279 | 7869 | **22,352** |
| Total Savings | 17,977 | 15,552 | 19416 | **52,945** |
| **Total Strategy** | **25,181** | **22,831** | **27285** | **75,297** |
| | | | | |
| **Difference to Requirement** | **(853)** | **685** | **168** | **0** |




### Capital Expenditure & Capital Financing Requirement (CFR)

| | 31 Mar 16 £000 | 31 Mar 17 £000 | 31 Mar 18 £000 | 31 Mar 19 £000 |
|---|---|---|---|---|
| **Capital Expenditure** | **Actual** | **Estimate** | **Estimate** | **Estimate** |
| Council Fund (GF) | 82,349 | 88,924 | 113,787 | 48,580 |
| Housing Revenue Account | 289,216 | 25,405 | 28,250 | 27,350 |
| **Total Capital Expenditure** | **371,565** | **114,329** | **142,037** | **75,930** |
| **Capital Financing Requirement** | | | | |
| Council Fund CFR inc Landfill | 463,638 | 482,438 | 476,404 | 476,421 |
| Housing Revenue Account CFR | 276,837 | 278,799 | 296,138 | 301,779 |
| **Total CFR** | **740,475** | **761,237** | **772,542** | **778,200** |

### Affordability Indicator - Capital Financing Costs as a % of Controllable Budget

| | 2011/12 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | Difference 11/12-20/21 |
|---|---|---|---|---|---|---|---|---|
| | Actual | Estimate | Estimate | Estimate | Estimate | Estimate | Estimate | |
| | % | % | % | % | % | % | % | % |
| Net | 13.47 | 15.42 | 15.79 | 15.27 | 15.53 | 17.00 | 16.82 | 24.87 |
| Gross | 15.17 | 19.13 | 19.94 | 20.31 | 20.80 | 22.51 | 22.37 | 47.46 |

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# CITY OF CARDIFF COUNCIL
# CYNGOR DINAS CAERDYDD

## CABINET MEETING: 14 JULY 2016

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## SCHOOL ORGANISATION PROPOSALS: SPECIALIST PROVISION FOR PRIMARY AGED PUPILS WITH SPEECH AND LANGUAGE DIFFICULTIES, AND WITH BEHAVIOURAL EMOTIONAL AND SOCIAL DIFFICULTIES.

## REPORT OF DIRECTOR OF EDUCATION AND LIFELONG LEARNING

**AGENDA ITEM: 6**

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**PORTFOLIO: EDUCATION (COUNCILLOR SARAH MERRY)**

**Reason for this Report**

1. To inform the Cabinet of responses received following the consultation on specialist provision for primary aged pupils with speech and language difficulties and with behavioural social and emotional difficulties.

**Background**

2. At its meeting on 03 December 2015 the Cabinet authorised officers to undertake a public consultation on proposals to:

- Close Meadowbank Special School at the end of the academic year 2017.

- Continue to maintain a Specialist Resource Base (SRB) at Allensbank School but cease admission of pupils with speech and language difficulties, unless transferring from Meadowbank Special School. Redesignate this as an SRB for pupils with autism spectrum conditions (ASC), with first admission of ASC children in September 2018.

- Continue to maintain a Specialist Resource Base at Fairwater School but cease admission of pupils with statements for behaviour emotional and social difficulties. Redesignate this as an Early Intervention Class (EIC) from September 2018.

- Maintain the specialist classes at Glan Yr Afon (Revolving Door) and Springwood (Nurture Class), but rebadge these as Early

Intervention Classes, adopting the proposed admission criteria and operational procedures outlined above from September 2018.

- Identify four additional primary schools (one in Welsh-medium sector, three school in the English-medium sector) in various locations across the city to host Early Intervention Classes.

**Issues**

3. The consultation ran from 11 February to 06 April 2016.

4. Parents and others in the local community, together with staff and Governors of the affected schools were invited to respond to the consultation.

5. The consultation process involved:

- Distribution of a Consultation Document outlining background, rationale and implications. This document has been distributed to parents, Headteachers and Chairs of Governors of affected schools, all Members and other stakeholders. (a copy of the consultation document can be seen at Appendix 1);

- Meetings with Staff and Governors of the schools affected and a public meeting at which the proposal and the options were explained and questions answered;

- Meetings with parent of children currently attending the affected SRBs or special school;

- Two public drop in sessions where officers were available to answer questions;

- Questionnaires were provided for pupils at the affected schools, to be completed with the help of their teachers;

- A consultation response slip for return by post or e-mail, attached to the consultation document;

- An online response form at www.cardiff.gov.uk/21st Century Schools.

**Responses received during the consultation period**

6. In total 253 responses were received including 52 online responses and 201 paper/ e-mail responses).

7. Reponses were received from Estyn, Governing Bodies of schools, Headteachers, other stakeholders including The Cardiff and the Vale Speech and Language Therapists, the Royal College of Speech and Language Therapists, Afasic, the Welsh Language Commissioner

and the Social Services Directorate and from school staff, parents, pupils and members of the public

8. Formal responses are included in Appendix 2**.**

9. The views expressed at Council organised meetings and on paper or electronically through the appropriate channels, have been recorded.

10. The majority view expressed during the consultation at meetings and in written correspondence was one of opposition to the proposed closure of Meadowbank Special School and re-designation of Allensbank SRB for speech and language as an SRB for autism spectrum conditions.

11. A minority of the responses also expressed a view about the proposal to open a network of Early Intervention Classes. Those who did so expressed concern about a lack of clarity regarding the purpose and criteria for these classes.

12. A summary of the main views expressed and the Council's response are set out below.

13. The points raised are set out in *italics* below. The paragraphs following these points contain the Council's response.

**Estyn Response**

14. A response from Estyn noted the following points (for the full response, please see Appendix 2):

- *The clear rationale for the proposal responds to the falling demand for speech and language places and the increased demand for provision for other areas of special education need.*
- *The clear Additional Learning Needs (ALN) Strategy, which sets out the principles and high-level actions for developing SEN provision through School Organisation Planning.*
- *The clearly defined the reasons why Meadowbank Special School should close, for the re-designation of existing SRBs and for the identification of additional primary school to host Early Intervention Classes, including one in the Welsh medium sector.*
- *Estyn's opinion that the proposal is likely to at least maintain the educational outcomes and provision for pupils in the area.*

**Appraisal of views expressed by ESTYN**

15. The Council acknowledges the views expressed.

**Governing Bodies' Responses**

16. Reponses were received from the Governing Bodies of Meadowbank, Allensbank, Fairwater, Glan Yr Afon, and Springwood primary schools. The full responses are included in Appendix 2.

17. The points raised are set out in *italics* below. The paragraphs following these points contain the Council's response.

18. The Governing Body of Meadowbank School expressed the following views:

- *Meadowbank has been a great resource for the whole primary sector in Cardiff and has successfully promoted integration.*
- *The school was not adequately engaged in the development of proposals for the provision for primary aged pupils with speech and language difficulties.*
- *The proposal would lead to the dispersal of expertise at Meadowbank, and risk losing key skills from Cardiff.*
- *Mainstream placements are unlikely to be suitable for all primary pupils with severe needs.*
- *The shift in parental preference has not been adequately explained.*
- *The recently established school-based therapy service is not yet fully tested in practice.*
- *Concerns were expressed regarding the strategy to consider Early Intervention Classes focusing on children with behavioural emotional and social difficulties in parallel with speech and language provision.*
- *Meadowbank should preserve its status as a centre of excellence, and to further develop its links to mainstream, such as through:*
  - *i. Day classes;*
  - *ii. Short term admissions for intensive support;*
  - *iii. Longer term support for pupils not ready or suitable for mainstream, where appropriate;*
  - *iv. Centre of expertise for training teachers and other staff in mainstream;*
  - *v. Provision of specialist speech and language therapy services.*

19. The Governing Body of Allensbank Primary School made the following points:

- *Recognised a reduced demand for speech and language provision but consider there is a continuing role for some specialist provision for speech and language.*
- *Allensbank would be willing to become an ASC base.*
- *During the transition phase, the Governing Body would wish to avoid a temporary mix of needs in the base, with children with ASC and specific language impairments in one class, and a temporary mix of foundation phase and KS2 pupils in one class.*

20. The response from the Governing Body of Fairwater Primary School included the following points:

- *The school would not wish to open an Early Intervention Class. There is insufficient information provided at this stage regarding the proposed change of provision.*

- *Concerns expressed regarding pupils with speech and language difficulties and behavioural and emotional social needs in the same class.*
- *Concerns expressed regarding pupils in Early Intervention Classes returning to mainstream classes within 3-4 school terms.*
- *The Fairwater Primary School Governing Body wish for nursery provision to be established at the school, and for the existing SRB to close.*

21. The Glan yr Afon Primary School Governing Body expressed their views at a consultation meeting held at the school, and through a written response from one governor:

- *The Governing Body would consider hosting an EIC if they were able to negotiate on the age and severity of the pupils admitted to the class.*
- *Admitting Year 5 and 6 pupils with severe needs to the Revolving Door class has a detrimental impact on the school but functions well when places are occupied by year 3 and 4 children.*

22. The response from the Governing Body of Springwood Primary School included the following points:

- *Consideration must be given to ensuring there is sufficient accommodation in the school should the LA decide to base other services onsite. Operating with a much reduced space may impact on the ability to accommodate an EIC.*
- *A wish for clarity around the nature of the children who would attend the EIC.*
- *Concern around a panel of Headteachers and staff placing children without input from a school's senior leadership or governors.*
- *Concern that the mix of children with autism attending the school's SRB for autism) and pupils with complex emotional social and behavioural needs would be difficult to manage in one school.*

**Appraisal of views expressed by Governing Bodies**

23. The Council notes the views expressed by the Governing Bodies that responded to the consultation.

24. The Council has worked in partnership with Meadowbank on a number of projects to develop speech and language provision including a review of secondary support for pupils with severe specific language impairments and the review and further development of an outreach service to support pupils in nursery settings.

25. The key criteria for the Early Intervention Classes would be 'children at risk of exclusion' i.e. those who are experiencing behavioural difficulties. However, the child's needs would be addressed holistically, including any speech and language needs, and any

specific difficulties with literacy and numeracy that may co-exist with the child's emotional and social needs.

26. The demand for special school and SRB places for children with specific language impairments has been falling in Cardiff and other local authorities for many years. The decline in numbers since 2010 is set out in the table below, but the fall in demand was already an ongoing trend. Prior to 2006, Allensbank SRB offered 30 places. A class was closed in 2006, in response to falling numbers, and the Allensbank class size reduced from 20 to 16 in 2011. The reasons for this trend are set out in the consultation document on pages 5-7.

*Meadowbank and Allensbank SRB numbers on roll, 2010-2015*

| | Meadowbank | Allensbank | Total Pupils |
|---|---|---|---|
| 2010-11 | 40 | 18 | 58 |
| 2011-12 | 35 | 18 | 53 |
| 2012-13 | 34 | 13 | 47 |
| 2013-14 | 32 | 16 | 48 |
| 2014-15 | 27 | 14 | 41 |
| Nov-15 | 23 | 11 | 34 |

27. A key aspiration for the Council is to achieve staff reduction as far as possible through redeployment rather than voluntary redundancy or compulsory redundancy. Therefore, the Council is committed to maximising opportunities for school staff to secure employment in other schools in Cardiff and if the proposal were progressed, would facilitate a redeployment process. If progressed, the proposal would generate a range of new specialist posts in the city which would provide the opportunity to retain specialist skills in Cardiff.

28. The Council acknowledges that the view that there is an ongoing need for some specialist provision for children with the most complex speech language and communication needs (SLCN) and that this view is shared by the majority of respondents. The Council will therefore give further consideration to this issue with a view to retaining some specialist provision for speech and language in the future.

29. The Governing Body's suggestion that Meadowbank could develop a different role, providing part-time and short-term placements for pupils, and providing specialist support and training to mainstream, is noted. However:

- An SRB would generally be considered to be a more effective way to provide part-time and short term placements than a Special School, as the mainstream location of an SRB ensures children remain in contact with mainstream peers and good language role models.

- SRBs are a more cost effective means of providing short term and part time placements. The cost of an SRB place is between one third to one-half the cost of a special school place.
- In Cardiff, a comprehensive programme of training and support to mainstream is provided by the specialist teacher service in partnership with the UHB speech and language therapy service.

30. The concerns of the Governing Body of Allensbank regarding redevelopment are noted. If the proposal were progressed, the Council would work with the Governing Body to avoid any mix of needs or ages that would impact negatively on pupils.

31. It is noted that Fairwater Primary School does not wish to host an EIC. It is considered that further discussion to clarify the criteria and purpose of the EIC may reassure the Governing Body on a number of points. However, it is important that host schools are willing partners in the process of establishing the classes, and alternative locations will be considered in light of this response.

32. It is anticipated that pupils placed in the EICs would have less complex long-term needs than the pupils currently based in the SRB and there would be good prospects for reintegration. The Council maintains special school places at The Court School for children with long-term behaviour, emotional and social needs (BESN).

33. The desire of the Fairwater Primary School Governing Body for nursery provision is outside the scope of this consultation. Should the Council identify a need to establish a nursery at the school, there is sufficient space to continue hosting a specialist class.

34. Any decision to close the existing Fairwater SRB would be subject to a full public consultation, and a formal decision by Cabinet. Before undertaking consultation on this issue, the Council would need to secure suitable alternative provision for children with behaviour, emotional and social needs, such as the Early Intervention Classes, to ensure closure would not result in pupils unable to access the provision they need.

35. The Council notes the response of the Glan Yr Afon Primary School Governing Body. If the proposal were progressed there would be further discussion with the school to clarify the criteria and age range for the Early Intervention Class. The classes are intended as an early intervention and there would be scope to identify some classes for a younger age range.

36. The views of the Springwood Primary School Governing body are noted. Host schools would be represented on admission panels and would have a say in which pupils should be admitted. Consideration would be given to the mix of needs and ages in each class and whether the class is able to meet the needs of each child.

37. The Council acknowledges the Governing Body's concern that the existing SRB for children with autism spectrum conditions should not be compromised by accommodating a specialist provision for children with BESN at the school. Alternative locations for the EIC would therefore be considered.

**Primary School Headteachers' Responses**

38. Primary school Headteachers provided a collective response setting out their opposition to the proposed closure of Meadowbank Special School and to the re-designation of Allensbank SRB. Separate responses were also received from the Headteachers of Meadowbank, Moorland and Springwood primary schools.

39. The full responses are included in Appendix 2.

40. The points raised are set out in *italics* below. The paragraphs following these points contain the Council's response.

41. The collective primary school Headteachers' response included the following points:

- *Meeting the needs of the most complex children has improved but remains a challenge.*
- *The fall in demand for places at Meadowbank and Allensbank correlates with fewer statements for children with speech language and communication needs being issued in recent years.*
- *The skills of highly trained staff in specialist environments is often the most effective way of securing the best outcomes for these learners with speech language and communication skills and challenging behaviour.*
- *Greater emphasis should be placed on speech, language and communication assessments for children whose overt needs appear behavioural. Early support for SLCN is essential to reduce the risk of young people becoming NEET (Not in Education Employment or Training).*
- *The high proportion of Meadowbank and Allensbank pupils who successfully reintegrate to mainstream is evidence of the high quality teaching they received and the long lasting impact of the placements. This level of reintegration is not the case for any other specialist provision within the city.*

42. The response of the Headteacher of Meadowbank School raised the following points:

- *Opposition to the closure of Meadowbank School,*
- *Support for the redesignation of Allensbank SRB*
- *Support for the development of EICs:*
- *Children with severe and profound speech and language impairments (SLI) require a small class setting with experienced teaching staff that understand speech and language difficulties, specialist resources and specialised teaching approaches and*

*strategies. Meadowbank is a centre of excellence that provides all of the above.*

- *Attending Meadowbank School ensures that children have an effective start to their education that often leads to them being successfully reintegrated into a mainstream school.*
- *Concern expressed that there is insufficient data presented to demonstrate that children with SLI in mainstream classes make progress.*
- *Meadowbank staff, governors and parents believe that parental preference has been guided away from specialist provision by the local authority.*
- *Concern that the local authority is planning to close Meadowbank School whatever the outcome of the consultation.*
- *Concern that the closure of Meadowbank School would lead to a loss of expertise, fragmented multi-agency working, reduced intensity and specialised speech and language therapy and a reduction in choice of schools for parents.*
- *Concern that there would be no specialist provision for SLI in Cardiff. All other local authorities in Wales have some form of specialist provision for children with SLI.*
- *Meadowbank School should be retained as a 'Centre of Excellence'.*
- *Meadowbank can provide mainstream opportunities and experiences for children more effectively than Allensbank by providing this provision in a child's own local school, enabling the child to develop a supportive peer group before they transfer to secondary school.*

43. The response of the Headteacher of Springwood Primary School raised the following points:

- *Meadowbank School should not close but should address the shortage of places for pupils with behaviour issues.*
- *Opposition to the development of EICs*
- *Support for the redesignation of Allensbank SRB:*
- *Pupils with behaviour needs and pupils with speech and language, communication needs should not be in the same specialist class.*
- *The EIC classes should have a set age range as the needs of Key Stage 2 pupils are very different to those of Foundation Phase pupils.*
- *Disagrees that behaviour emotional and social difficulties are caused by speech and language difficulties.*
- *Concern that there is not enough support in place for pupils who are displaying negative behaviours*

44. The response of the Headteacher of Moorland Primary School raised the following points:

- *Meadowbank School should not close but the Council should explore whether BESN/ SLCN provision could be developed at the school.*
- *Support for the proposed development of EICs.*

- *Concern expressed that the needs of the pupils in the EICs will be too broad.*
- *Concern at the sufficiency of EIC places.*
- *There is a need to ensure an equitable system for placement across the city, recognising that the demand/threshold in some areas will be much higher than in others.*

**Appraisal of views expressed by Headteachers**

45. The Council acknowledges that Headteachers consider there is an ongoing need for some specialist provision for children with the most complex SLCN and that this view is shared by the majority of respondents. The Council will therefore give further consideration to this issue with a view to retaining some specialist provision for children with speech and language needs.

46. Evidence suggests the majority of the pupils supported in mainstream are making good progress against the targets set by therapists and specialist teachers.

- In Autumn 2015:
  a. 96% of pupils supported at School Action plus met or partially met their targets,
  b. 97% of pupils with statements met or partially met their targets.

- In Spring 2016:
  c. 87% of pupils at School Action plus met or partially met their targets,
  d. 100% of statemented pupils met their targets.

47. The number of new statements for speech and language has fallen since the funding for statements was delegated to schools in 2012, as would be expected. However, the Local Authority continues to issue statements for pupils with the most significant needs so this would not be expected to impact on demand for special school places.

48. It is not correct to state that parents have been directed away from the special school. When issuing a statement of special educational needs, the local authority provides parents with a full list of schools, including special schools and specialist resource bases, and asks parents to identify their preferred school. Parents are encouraged to visit schools before making a decision. The factors leading to fewer requests for specialist placements are set out in the consultation document on pages 5-7 and include the following:

- A national policy and expectation for inclusion, reinforced by equalities legislation and a responsibility on local authorities to increase the extent to which children's special educational needs can be met in mainstream;
- A successful programme of capacity building and early intervention, including universal screening for speech and

language for all Reception aged children, extensive training, and specialist support from specialist teachers. This has significantly improved parental confidence in mainstream support.

- Approximately 88% of children with the most serve speech and language needs attend their local mainstream school and evidence shows that they make good progress with the specialist support they receive (see paragraph 46).

49. Local Authorities in Wales have been surveyed regarding their provision for SLCN. Four local authorities responded. Bridgend and Pembrokeshire report that they no longer maintain specialist provision for SLCN but instead support all SLCN children in mainstream classes. Rhondda Cynon Taf and Carmarthen continue to maintain SRBs for speech and language but report a fall in the demand for SRB places, resulting from improved support in mainstream and parental expectation of mainstream inclusion.

50. A survey of English and Welsh local authority websites and school lists in England and Wales identified that no other local authority maintains a special school for specific language impairment although the majority do maintain SRBs. There is a small number of Independent Special Schools for SLI in England.

51. Multi agency working in Cardiff to support speech and language is strong and is not based on any single setting. The Council does not agree that this would be fragmented if the special school closed.

52. It is recognised that Meadowbank has supported reintegration of some pupils to their local mainstream schools: this has also been an outcome for some Allensbank SRB pupils. However, a strength of a specialist resource base is that it can provide mainstream learning experiences and good language role models throughout the period of the placement, which a special school does not have access to.

53. The Council recognises the need to increase provision for children with behavioural, emotional and social needs (BESN). If the proposal were progressed, places in mainstream-based provision for BESN would increase from 26 places (at Fairwater SRB, Glan yr Afon Revolving Door and Springwood Nurture Class) to 56 places. This would include a class in a Welsh medium school.

54. The criteria for placement in an EIC, and the range of needs are clarified in paragraph 25.

55. If the proposal were progressed, further work would be undertaken to clarify the age range for each Early Intervention Class. It is anticipated that some would admit Foundation Phase children while others would be designated for Key Stage 2.

56. Many respondents shared the view that the use of ‘neighbourhood panels’ could lead to inequitable access to the Early Intervention

Classes. If the proposal were progressed, the Council would work with all schools to agree on a fair approach to placements.

57. Based on current levels of referral, it has been calculated that 56 EIC places would be sufficient to respond to current need.

58. The Council acknowledges the points made regarding the high incidence of SLCN in children and young people with behavioural emotional and social needs. A range of steps have been taken in Cardiff to address this including:

- Universal screening for speech and language needs in Reception.
- A collaborative approach between the specialist teacher service and the UHB speech and language therapy service to ensure every child with a diagnosed need receives appropriate support.
- Joint working between the specialist teacher services for speech and language and for behaviour support. A speech and language therapist employed by Education to work in both teams.
- Where schools refer children for behaviour support, the Partnership Area Referral Meeting (PARM) routinely requires information about the child's speech and language scores, literacy and numeracy levels and considers support needs holistically.
- Two terms of intensive support at The Court Special school to embed Speech and Language Links and to develop a range of speech and language interventions in the practice of the school.
- Arranging for the Youth Offending Service to be included in speech and language training provided by AFASIC.
- There are plans to work with Bryn y Deryn and Greenhill to embed speech and language screening and to undertake further collaborative work with the Youth Offending Service.

59. The Council will consider any further steps that may be needed to screen and support pupils who have been identified as being 'at risk' to prevent young people becoming 'NEET'.

60. Should the Council proceed with proposed development of the network of 7 Early Intervention Classes, this would require a revenue investment of £364,896 per annum (based on 2016 costs) plus an initial capital investment to adapt appropriate classrooms. The proposal is based on a reinvestment of resources which would be released from the closure of Meadowbank School. To retain Meadowbank while also opening the Early Intervention Classes, as suggested by some respondents, additional resources would need to be identified.

61. Consideration of developing Meadowbank as a provision for BESN is noted but is beyond the scope of this consultation.

**Formal responses from statutory and voluntary sector partners**

62. Formal responses were received from Cardiff and the Vale Speech and Language Therapists, the Royal College of Speech and Language Therapists, Afasic, the Welsh Language Commissioner and the Social Services Directorate of Cardiff Council. The full responses are included in Appendix 2.

63. The points raised are set out in *italics* below. The paragraphs following these points contain the Council's response.

64. Therapists employed by Cardiff and the Vale University Health Board provided a collective response which included the following points:

- *A very positive collaborative working relationship has been established with the Education Service in recent years, with many joint initiatives and projects including setting up a mainstream speech and language therapy service to local primary and high schools.*
- *Concern expressed that although many children with speech and language difficulties can be managed within mainstream settings, mainstream schools are not able to deliver highly specialised interventions to the most needy pupils*
- *There should be some specific and specialist provision for the small percentage of children that require short-term, specialist, intensive speech and language intervention in the early years.*
- *The school-based therapy service is currently a pilot established in response to feedback from parents and schools that they would prefer children to access this support in school, and was not intended to replace specialist provision. It has not been evaluated and therefore no conclusion has been reached on the future of this aspect of the therapy service.*
- *The EICs do not appear to include the needs of children with severe speech and language difficulties.*
- *Research shows that children with significant language impairment are at risk of behavioural difficulties, mental health problems, and of becoming offenders in adolescence and adulthood.*
- *Speech Links and Language Links are screening tools only and do not provide a comprehensive language or speech sound assessment. The local authority should not over-rely on this data as an outcome measure for children with children with severe and complex language difficulties.*
- *The increased demand for specialist provision for children with autism is acknowledged but there are concerns about whether there is scope to develop a suitable environment at Allensbank. For example, having enough space to create 'quiet' or 'sensory' areas.*

65. The Royal College of Speech and Language Therapists (RCSLT) made the following points:

- *There should be a focus on inclusion of children with special needs in mainstream settings but this should be balanced by a requirement for specialist services to be delivered flexibly in order to enable inclusion.*
- *In an inclusive society, specialist and targeted services for these children should be integral to universal mainstream provision. The integration of education, health and social care for children means they should be able to access all the services they require- whether universal, targeted or specialist, flexibly and locally wherever possible.*
- *In this response, RCSLT would wish to stress the need to ensure that children with speech language and communication difficulties in Cardiff receive the service that they need, which includes the availability of adequate specialist places within a given area.*
- *RCSLT would wish to see the availability of specialist resource bases with the philosophy of short-term intensive support with the outcome of returning to mainstream education.*

66. The Social Services Directorate of Cardiff Council provided a response, which outlined support for the proposal. The response includes the following points:

- *Social Services would support the inclusion of children and young people within their local communities, receiving educational, social and community support as close to home as possible.*
- *It would be beneficial to consider the learning and support needs of Allensbank School as part of the change of delivery proposal.*
- *Clarification of measures being taken to support the school as an improving school are required.*

67. The formal response from Afasic opposed the closure of Meadowbank and redesignation of Allensbank SRB. The response included the following points:

- *The proposals contradict principles set out by the Cardiff Council Additional Learning Needs Strategy on page 9 of the consultation document.*
- *The proposals appear to suggest pupils do not benefit from specialist provision, which is not the case.*
- *The proposals do not offer a full and fair picture of evidence. There is insufficient evidence to support the view that children's needs are fully met in mainstream.*
- *The proposals wrongly suggest that a specialist placement is incompatible with inclusion.*
- *Gaps in knowledge and skills, and lack of capacity in mainstream, and there is no provision for increasing the mainstream service to compensate for closure, or set out a plan to retain the skills of specialist staff at Meadowbank.*
- *The proposals are vague and do not offer parents an alternative but equivalent effective learning environment, such as dual placements with a combination of full and part time places, with short, medium or longer term admission as appropriate.*

- *There is no information about how speech and language therapy will be offered as part of the proposed changes.*

68. A formal response from the Welsh Language Commissioner included the following points:

- *The proposals acknowledge the importance of language to pupils and of addressing this in any reorganisation of SEN support*
- *The changes to school organisation must ensure that any internal or external support provided by the relevant agencies is available in Welsh. Educational psychology, specialist teaching and information for parents should be available in Welsh.*
- *Staff development planning is needed to ensure a sufficient number of special educational needs (SEN) staff who are able to provide support through the medium of Welsh.*

**Appraisal of views expressed by statutory and voluntary sector partners**

69. It is acknowledged that the school-based service currently provided by the UHB speech and language therapists is a pilot scheme and has not yet been evaluated, and that it was not set up to replace specialist provision.

70. The Council notes the comments regarding a mainstream approach to support, including the need for adequate specialist places focused on short-term intensive support. The view that there is an ongoing need for some specialist provision for SLCN is shared by the majority of respondents. The Council will therefore give further consideration to this issue with a view to retaining some specialist provision for children with speech and language needs.

71. If the proposals were progressed, a range of training and development opportunities would be provided to ensure Allensbank Primary School is able to develop the skills and practice required to support pupils with autism spectrum conditions. The Central South Consortium also provide support to the school to ensure further improvement.

72. The point made about the need to consider extension of the specialist speech and language support service to improve the support available in mainstream schools is noted. Further consideration will be given to this point.

73. The Council does not agree that the proposals contradict the principles set out in Cardiff Council's Additional Learning Needs Strategic Framework. The principles are set out on page 9 of the consultation document and the proposal is consistent with these principles. Of particular relevance are the following:

- An effective graduated response to additional learning needs is underpinned by collaboration with health, children's services and other partners.

- With the right training, strategies and support, nearly all children with special educational needs can be successfully included in mainstream education.
- As far as practicable, provision for special educational needs should be locally based, to reduce the extent to which children travel to access education.

74. A response to the suggestion that the role of Meadowbank School could be developed to provide a mixture of short and long terms places is set out in paragraph 29.

75. The need for staff development planning and to ensure external support services are available in Welsh is acknowledged. A range of continuing professional development opportunities are available to staff in English and Welsh language settings. The Educational Psychology Service delivers services in Welsh and English. A Welsh language audit has identified the need to increase Welsh language capacity in the specialist teacher team and will be addressed through planned recruitment.

**Responses of staff, parents, pupils and other stakeholders**

76. Meadowbank Staff provided a collective response and a number of individual responses were received from Meadowbank staff and from other schools.

77. The points raised are set out in *italics* below. The paragraphs following these points contain the Council's response.

78. The responses included the following points:

- *There has been good capacity building in mainstream schools which has improved the speech and language support available for all children, and for those with communication delays.*
- *Mainstream schools do not have enough resources, staff or time to fully support children with the most needs.*
- *There are many children in mainstream schools who could benefit from the support of Meadowbank, but parents are not aware of the school and don't know what support would be available.*
- *The Day Class was a good way to provide intensive part time support and to assess whether a specialist placement was needed. This should be reinstated.*
- *The central team of 4.6 specialist teachers is inadequate to support all of the children who currently need direct support.*
- *The number of children being identified with SLCN is increasing in Cardiff: there is a need to ensure there is provision for these pupils.*
- *Responses from other staff included the following points:*
- *That the proposal is a cost-cutting exercise, at the expense of children with special educational needs.*
- *That more provision for children with BESN is needed, but the criteria and purpose of EICs is not sufficiently clear.*

79. Responses from parents and other family members of pupils and former pupils of Meadowbank School strongly opposed the closure of Meadowbank School. Their responses included the following points:

- *A special school placement has been essential to meet their child's needs.*
- *Mainstream and SRB placements would not be able to offer the level of specialist support that has been provided by Meadowbank.*
- *Some families cite experiences of social isolation and bullying prior to their child's admission to Meadowbank.*
- *Parents value the support for the whole family provided by Meadowbank.*
- *Families believe that parents do not have enough information about Meadowbank and urged the Council to 'advertise' the school more widely.*
- *Many families refer to the day Class as a good way to have become familiar with the school prior to admission and suggest this should be reopened.*

80. A survey was used to seek the views of children and young people about their schools. Surveys were sent to the schools directly affected by the proposals and teachers were asked to help children to respond. The local authority speech and language team also invited a number of pupils attending secondary mainstream schools to respond.

- *All the responses reflected the children's positive feelings about their school and the support they receive.*
- *The written or scribed responses from Meadowbank pupils reflect their positive experience of the school and in many cases the children record that they do not wish the school to close.*

81. A petition with 3078 signatories was received by the Council, opposing the closure of Meadowbank School.

82. 122 response forms were submitted opposing the proposal and expressing the view that Meadowbank School should not close.

83. Other responses from members of the public include the following points:

- *The Court Special School would benefit from better accommodation. If Meadowbank School closes, the Council should consider transferring the The Court School there.*

84. Responses were also received from Councillors, the Liberal-Democratic Group, local AMs and MPs, opposing the proposal to close Meadowbank. Their responses included the following points:

- *A recent research paper from Cambridge University argues that special schools remain a valid part of the education mix. The findings suggest that especially for children with severe learning*

*difficulties (SLD), special school provision still plays an important role.*

- *The belief of Afasic, the charity for adults and children with specific language disorders, in the effectiveness of special school provision provides expert endorsement of a special school model in the appropriate circumstances.*
- *Concern that the stated demand for "inclusion" may be driven by financial considerations rather than pupils' needs.*
- *Children should not transfer to mainstream schools before they are able to learn the necessary communication skills to successfully integrate with their peers.*
- *The loss of expertise which the closure of Meadowbank would entail.*
- *Concern is expressed regarding the capacity of mainstreams schools to support a wide range of needs.*
- *If Meadowbank were retained for speech and language, then redesignating Allensbank for ASC would be a positive move. If the Allensbank pupils transferred to Meadowbank, this would bring the school to capacity.*
- *Speech and language impairment is a lifelong condition that cannot be resolved in a short term placement of twelve months.*
- *The proposals state that the EICs will not have any impact on standards in mainstream, but they will surely impact on the host schools.*

**Appraisal of views expressed by staff, parents, pupils and other stakeholders**

85. The views expressed are noted.

86. A response to the view that there is an ongoing need for specialist provision for speech and language is set out in paragraph 26.

87. The assertion that parents are not informed about Meadowbank School is addressed in paragraph 48.

88. A number of respondents express the view that the Council should actively encourage parents who have named a mainstream school, to consider a place in Meadowbank School. The Council view is that such an approach would be contrary to the statutory responsibilities set out in the Education Act 1996, and the SEN Code of practice. Section 316A of the Education Act 1996 specifies that children with special educational needs should normally be educated in mainstream schools so long as this is compatible with receiving the special educational provision that their learning difficulty calls for; the efficient education of other children, and the efficient use of resources. This is also reflected in the Special Educational for Needs Code of Practice for Wales.

89. The Council is confident that there are effective processes in place to monitor the progress of children in mainstream, and ensure support is effective. However, in response to the concerns expressed by some

respondents, that there may be children in mainstream schools who are not making sufficient progress and for whom specialist placement would be appropriate, the Council will request the specialist speech and language team and the UHB therapy service to undertake a review of the mainstream caseload.

90. The Day Class was funded by a Welsh Government grant which ceased in 2012. The Council continues to fund an outreach service to support pupils with speech and language needs in nursery settings and has supported the development of universal screening in Reception to ensure needs are identified and met early.

91. The speech and language specialist service is a team of 8, comprising 4.6 teachers, 3 specialist teaching assistants and an education- employed therapist who works in both the speech and language team and behaviour support team. The speech and language team works collaboratively with speech and language therapists to support a shared caseload.

92. The Council rebuts the notion that the proposal is a cost-cutting exercise which will reduce provision for children with special educational needs. The proposal aims to reshape specialist provision in response to changing patterns of need. The majority of children with severe speech and language needs are well supported in mainstream schools and making progress there. Very few parents are requesting a specialist placement for a speech and language child. However, there are growing numbers of children experiencing behaviour emotional and social needs, for whom there is insufficient provision. If the proposal were progressed, resources released through closure of the special school would be reinvested in alternative SEN provision and support.

93. The criteria and purpose of EICs is clarified in paragraph 25.

94. The suggestion that The Court Special School could be transferred to the Meadowbank site is noted but is outside the scope of this consultation.

95. The research supporting the continued importance of special school places to support pupils with severe learning difficulties (SLD) is noted. The definition of SLD or 'severe learning difficulties' is a low cognitive ability or low IQ, resulting in severely impaired understanding and ability to learn. The Council maintains a range of special school and SRB places for children with severe or profound learning difficulties, including Ty Gwyn, Woodlands and Riverbank Special Schools and the SRBs at Llanederyn, Llanishen Fach, Bryn Hafod and Marlborough Primary Schools and the Council accepts the point that special schools are an important part of the range of inclusive provision for children with low cognitive functioning.

96. In contrast, Meadowbank Special School and Allensbank SRB are designated for pupils with specific language impairment (SLI), which

is defined as a disorder in the development of language, despite adequate intelligence and opportunity and in the absence of any associated disorders that may underlie the language difficulties, such as hearing loss, autism or learning disability. While SLI is a lifelong condition and may range from 'moderate' to 'severe', it is distinct from a 'severe learning difficulty' or SLD.

97. SLI is acknowledged to be a lifelong condition which would continue whatever support or placement is provided, whether this is in mainstream or a specialist placement. The aim for supporting a child with SLI in any setting is to enable them to develop strategies and skills to manage their impairment and fulfil their potential.

98. The endorsement of Afasic for a special school model for speech and language is noted. However, a range of alternative models are described positively by specialists, including the views of the Royal College of Speech and Language Therapists, summarised in paragraph 61, which describes a mainstream model of support, with 'sufficient specialist resource bases with the philosophy of short-term intensive support with the outcome of returning to mainstream education'.

99. A response to the concerns expressed about a loss of expertise is set out in paragraph 25.

100. The suggestion that if Allensbank SRB pupils transferred to Meadowbank this would bring the school to capacity is noted. However, this would not address the falling roll at both settings, as illustrated in paragraph 26.

101. The consultation document notes that establishing the EICs would not impact on standards. The pupils attending the classes would be dual registered and their learning outcomes and other data would continue to be recorded at their local school. There would be no impact on the data of the host school.

**Summary of views expressed during the consultation and proposed way forward**

102. The initial proposal set out a significant reshaping of specialist provision to respond to the changing pattern of special educational needs and the increased capacity of mainstream schools to support special educational needs.

103. The proposed reshaping would maintain the current level of investment in specialist provision and support for special educational needs, while ensuring a better fit to the current pattern of need.

104. There has been an ongoing gradual decline in the number of parents who request a specialist speech and language placement for their child, which has resulted in a steady fall in the number of funded

places over many years, from 70 places prior to 2006; to 58 places in 2010, and to 34 places in November 2015.

105. The Council has responded to this shift in expectation by investing in mainstream support over several years. Work to build capacity for speech and language support began in 2010 and remains ongoing. The Council believes the fall in demand/ need for specialist places is a direct result both of parental expectations for mainstream inclusion and the capacity building work that has been done to meet needs more effectively in mainstream.

106. Alongside the changes affecting speech and language provision, there has been an increased demand for specialist provision for children with special educational needs such as autism spectrum conditions and behavioural emotional and social needs.

107. ESTYN recognised the rationale for responding to these pressures in its proposals for re-shaping provision by closing Meadowbank School, redesignating the SRB at Allensbank for ASC and developing a network of Early Intervention Classes.

108. In relation to support for speech and language needs, many respondents acknowledged the effectiveness of the work that has been undertaken in recent years to build capacity and skills in mainstream schools. This work has included a comprehensive training programme; universal early screening for speech and language needs; and a collaborative working relationship between Cardiff and the Vale UHB Speech and Language Therapy Service and the Specialist Teacher Service.

109. There is also a general acknowledgment among respondents, of the need for some change in the pattern of provision to support speech and language needs.

110. However, there is a strong consensus among stakeholders regarding the importance of continuing to maintain an effective range of specialist support for children with speech language and communication needs, and concerns that the proposal does not yet fully address this issue.

111. In particular, strong views have been expressed regarding the need to retain some designated specialist provision for children with the most severe speech and language needs.

112. Some respondents express the view that special school places should continue to form part of the range of specialist provision. Other respondents put more emphasis on the need for early intervention in the form of resource bases.

113. Given the strong views expressed by stakeholders it is deemed advisable for additional work to be undertaken to engage with

stakeholders more fully prior to bringing forward a revised proposal for consideration.

114. In developing a revised proposal, the relative benefits and costs of SRB and special school provision will need to be borne in mind. There is evidence to suggest that SRBs are a more efficient and effective means of delivering short-term or part-time support. The cost of an SRB place is between one third and one half the cost of a special school place, while the mainstream location of SRBs offers additional benefits for children of ongoing contact with mainstream peers and learning experiences.

115. In relation to support for behavioural emotional and social needs, many respondents acknowledged the growing demand for specialist provision for children presenting with behavioural emotional and social needs, and recognised that there are insufficient specialist places available to meet this need at present.

116. The Council agrees with this analysis and this factor was key reason for the proposal outlined.

117. However, there is not yet consensus about the criteria and purpose of Early Intervention Classes. Further work is therefore needed to clarify and develop this aspect of the proposal prior to bringing forward a revised proposal for consideration.

118. The initial proposal to develop a network of Early Intervention Classes was based on a reinvestment of the resources and skills that would be released by closure of Meadowbank School. In the absence of significant new investment, it would not be possible to proceed with these classes while also retaining Meadowbank School.

**Scrutiny Consideration**

119. The Children and Young People's Scrutiny Committee considered the views of staff and parents of children at Meadowbank in relation to the proposal at their meeting on 17 May 2016. The views expressed by the Scrutiny Committee are set out in a letter to the Cabinet Member for Education attached at Appendix 4 these have been taken into account and the Cabinet Member's response is attached at Appendix 5. This report has been submitted for pre-decision scrutiny and will be considered at the meeting of the Children and Young People's Scrutiny Committee on Monday 11 July 2016.

**Reason for Recommendations**

120. The consultation has identified a number of views that are significant concerns for stakeholders. It is deemed advisable for additional work to be undertaken to engage with stakeholders more fully prior to bringing forward a revised proposal for consideration.

## Financial Implications

121. There are no direct financial implications of a decision to carry out further review and engagement and the subsequent development of revised proposals as recommended in this report. However any revised proposals developed would need to be subject to detailed financial implications as part of future Cabinet reports.

122. Meadowbank School is currently operating within its delegated budget, which, for 2016/17, totals £641,710. In addition, the school has been able to maintain a surplus balance despite falling pupil numbers. The surplus balance at 31 March 2016 was £65,774. However, should pupil numbers continue to fall, the school's ability to operate within its delegated budget would need to be considered as part of any financial implications of future decisions around the future of the school.

## Legal Implications (including Equality Impact Assessment where appropriate)

123. Section 316A of the Education Act 1996 specifies that children with special educational needs should normally be educated in mainstream schools so long as this is compatible with receiving the special educational provision that their learning difficulty calls for; the efficient education of other children, and the efficient use of resources. This is also reflected in the Special Educational for Needs Code of Practice for Wales.

124. Parental preference refers to the obligation under section 86 of the School Standards and Framework Act 1998, which requires a local authority to make arrangements enabling the parent of a child to express a preference as to the school at which they wish education to be provided for his child and to give reasons for his preference. The preference expressed must be taken into consideration in relation to the statutory assessment process when statements of special educational needs are prepared. However, the type of provision will also be based upon the professional advice given and is individual to each child according to their needs.

125. Any proposal to establish a community school or to discontinue a community school and to make changes to special educational needs provision at a school may be considered as a regulated alteration to a school under Sections 41 and 43 of the School Standards and Organisation (Wales) Act 2013.

126. Section 48 of the 2013 Act requires that any proposal in respect of a regulated alternation regulated alteration must first be consulted upon and then a formal notice published in accordance with the Schools Organisation Code.

127. Under the Code the Authority is required to take into account certain factors in formulating proposals and those factors are referred to in the text of this Report.

128. The Council also has to satisfy its public sector duties under the Equality Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties, Councils must in making decisions have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics.

129. Protected characteristics are:
- Age
- Gender reassignment
- Sex
- Race – including ethnic or national origin, colour or nationality
- Disability
- Pregnancy and maternity
- Marriage and civil partnership
- Sexual orientation
- Religion or belief – including lack of belief

130. The information from the consultation process will need to feed into an Equality Impact Assessment. The purpose of the Equality Impact Assessment is to ensure that the Council has understood the potential impacts of the proposal in terms of equality so that it can ensure that it is making proportionate and rational decisions having due regard to its public sector equality duty.

131. The Cabinet must make a final determination of the proposals after any statutory notices are published, an objection period of 28 days is allowed, within 16 weeks of the end of the objection period.

**HR Implications**

132. At this stage there are no direct HR implications arising from the recommendations in this report. It is important that all schools based staff who were potentially affected by the original proposal are informed of the outcome of the consultation process.

133. The implications for employees arising from the review of speech and language support; considerations around early intervention for behavioural, emotional and social needs; and any future revised proposal in relation to Meadowbank and Allensbank schools, will need to be fully considered.

134. With regard to Meadowbank Special School, the budgetary impact of falling pupil numbers has meant that the Governing Body has had to take decisions to reduce its staffing levels from 1st September 2016. It is anticipated that falling pupil numbers will lead to further reductions in staffing levels.

## RECOMMENDATIONS

The Cabinet is recommended to authorise the Director of Education and Lifelong Learning, in consultation with the Cabinet Member for Education, to;

1. Carry out a further review of speech and language support in Cardiff with the aim of bringing forward revised proposals;

2. Undertake further engagement with schools and other stakeholders in relation to early intervention for children with behavioural emotional and social needs;

3. Work with the governing bodies of Meadowbank and Allensbank Schools to ensure the needs of children with speech and language needs placed at the schools can continue to be met effectively, pending any revised proposals.

**Nick Batchelar**
Director
8 July 2016

*The following appendices are attached:*

Appendix 1 – Consultation document
Appendix 2 – Formal responses
Appendix 3 – Statutory Screening Tool
Appendix 4 – Letter from Children & Young People Scrutiny Committee dated 24 May 2016
Appendix 5 – Response to letter from Children & Young People Scrutiny Committee dated 8 July 2016

# 21st Century Schools Consultation Document 2016

## Specialist Provision for Primary Aged Pupils with Speech and Language Difficulties and with Behavioural Emotional and Social Difficulties

11 February - 23 March 2016

This document can be made available in Braille. Information can also be made available in other community languages if needed. Please contact us on 029 2087 2720 to arrange this.

CARDIFF
CAERDYDD

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**28.** What happens next?

- Key dates
- Consultation period
- Statutory Notice
- Determination of proposals
- Decision notification

**29.** Consultation Response Form

## 1. Introduction

This consultation is an opportunity for people to learn about the school organisation proposal put forward in relation to specialist provision for pupils with special educational needs (SEN) in Cardiff. It is your chance to ask questions and make comments that will be considered when the Council decides how to proceed.

Before any decisions are made the Council needs to ensure that it offers a number of opportunities for individuals and interested groups to make their views and opinions on the proposal known.

Our consultation process therefore follows Welsh Government guidelines outlined in the School Organisation Code 2013 and a range of individuals and groups are being asked for their views about these proposals.

Table 1 sets out details of the groups the Council is consulting:

| **Table 1: Groups the Council is consulting with:** | |
|---|---|
| Children and young people | All Cardiff schools |
| Parents/ carers | Cardiff and the Vale University Health Board |
| School staff | Voluntary Sector Organisations |
| School Governing Bodies | Neighbouring Authorities |
| Local residents | Welsh Ministers |
| Local Members/ Assembly Members/ Regional Assembly Members/ Members of Parliament | Police and Crime Commissioner |
| Diocesan Directors of Education | Central South Consortium Joint Education Service (CSCJES) |
| Trade Unions | Welsh Language Commissioner |
| Estyn | Rhieni dros Addysg Gymraeg (RHAG) |
| Cardiff and Vale College | |

## 2. How you can find out more and give your views

Public meetings and drop in sessions have been arranged where the proposals will be explained. These are provided so you can ask questions and make comments that will be recorded. You may also provide your views in writing.

Information regarding this proposal will be available to view at all Cardiff maintained schools.

Details of the consultation meeting dates are given in table 2 below:

| **Table 2: Consultation meeting dates** | | |
|---|---|---|
| **Nature of Consultation** | **Date/ time** | **Venue** |
| Cardiff Headteachers | 4th March, 9-10am | Future Inn, Cardiff Bay |
| Governors meeting | 7th March 6.45pm | Meadowbank School |
| Parents meeting | 25th February, 2-3pm | Meadowbank School |
| Staff meeting | 25th February, 3.45pm | Meadowbank School |
| Governors meeting | 7th March, 5.30pm | Allensbank Primary |

| | | |
|---|---|---|
| | | School |
| Parents meeting | 24th February, 2-3pm | Allensbank Primary School |
| Staff meeting | 24th February, 3.30pm | Allensbank Primary School |
| Governors meeting | 15th March, 6pm | Fairwater Primary School |
| Parents meeting | 23rd February, 2-3pm | Fairwater Primary School |
| Staff meeting | 23rd February, 3.30pm | Fairwater Primary School |
| Governors meeting | 23rd February, 4.30pm | Glan yr Afon Primary School |
| Staff meeting | 24th February, 3.30pm | Glan yr Afon Primary School |
| Governors meeting | 17th March, 6.30pm | Springwood Primary School |
| Staff meeting | 17th March, 3.30pm | Springwood Primary School |
| Drop in session (West of the city) | 1st March, 1-2pm | Ely and Caerau Hub |
| Drop in session (East of the city) | 2nd March, 2-3pm | Rumney Hub |
| Public meeting | 16th March, 6-7.30pm | Ysgol Glantaf |

In addition, workshops will be arranged with pupils and young people to provide an opportunity for pupils to ask questions, learn more about the proposals and give their views.

## 3. Your Views Matter

Your views matter and we want you to tell us what you think about the proposal. You can do this by attending one of the meetings or drop in sessions above, and/or by completing the online form www.cardiff.gov.uk/21stcenturySchools

Alternatively, contact the School Organisation Planning Team on (029) 2087 2720, by email to schoolresponses@cardiff.gov.uk or by post to Room 422, County Hall, Atlantic Wharf, Cardiff, CF10 4UW.

The closing date for responses to this proposal is 23 March 2016.

## 4. Explanation of terms used in this document

Please note the following terms used throughout this document:

**SEN** – Special Educational Needs. A child has SEN if he or she has learning difficulties which require special educational provision to be made for him or her. A learning difficulty means that the child has significantly greater difficulty in learning than most children of the same age or that the child has a disability that needs different educational facilities from those that the school generally provides for children.

**School Action (SA)** - When the class or subject teacher identifies that a pupil has SEN they provide interventions that are additional to or different from those provided as part of the school's usual curriculum.

**School Action Plus (SA+)** - When the class or subject teacher and the SEN Co-ordinator are provided with advice or support from outside specialists, so that alternative interventions additional or different to those provided for the pupil through School Action can be put in place.

**Statemented** – A small number of pupils with SEN may need a place in a Special School or a Specialist Resource Base, or they may need extra funded support in their local school. These children will usually have a statement of special educational needs, which describes their needs and their strengths and sets out what support must be in place to make sure they make progress in their learning. The statement will also name the school they attend and any extra resources provided for the pupil.

**Specialist Resource Base (SRB)** - A small class (usually between 8 and 10 pupils per class) in a local mainstream school, funded by the local authority for pupils with significant SEN. Specialist Resource Base classes are taught by specialist teachers and specialist learning support assistants, but pupils also have opportunities to integrate with mainstream peers and are fully included in the life of the school. All pupils attending a Specialist Resource Base have a statement of SEN, and usually have significant, long term special educational needs.

**Revolving Door Class (RD) / Nurture Class** - Small classes similar to a Specialist Resource Base in terms of size, location and staff expertise, which can provide a short term placement for vulnerable learners. Pupils do not usually have a statement of SEN but are placed temporarily in the RD or Nurture class because they are struggling to cope in their local school due to their behavioural, social and emotional needs. Pupils attend on a temporary basis, while also remaining on the roll of their local school. Pupils re-integrate to their local school following the placement.

**Early Intervention Class** – this is the term being used to describe a new initiative in Cardiff. A detailed description of the proposed purpose, function and outcomes of early intervention classes are set out in sections 15-20 of this document.

**Statutory Notice** - A statutory notice is the formal publication of a finalised proposal, if approved by Council's Cabinet and will only be considered once the Cabinet have received a report on all the responses from the consultation. This is a legal requirement as outlined in the School Organisation Code 2013.

## 5. Background to the proposal

### 5a. Support for speech and language needs in Cardiff

Meadowbank School is a small Special School located in Gabalfa adjacent to Gabalfa Primary School and Ysgol Glan Ceubal, for children aged 4-11 with significant speech and language difficulties.

Historically the Vale of Glamorgan Council funded 10 places at the school and at that time the school operated at 40 places. In 2010, the Vale of Glamorgan gave notice of their intention to withdraw from this arrangement, making no new placements. In July 2015 the last Vale child left the school. The number of Cardiff pupils admitted to the school has also fallen over the last five years, and there are now 23 pupils on the school roll.

Cardiff also maintains a Specialist Resource Base (SRB) at Allensbank Primary School, for 20 pupils with speech and language difficulties. Admissions have fallen since 2010 and there are now only 11 pupils attending the base.

The Speech and Language Therapy Service provides school-based therapy to pupils in Meadowbank and Allensbank in line with their assessed level of need.

Admissions to Meadowbank Special School and to Allensbank SRB are subject to a statement of special educational needs (SEN) and are managed by the local authority in accordance with the SEN Code of Practice for Wales 2002.

In line with equalities legislation and the statutory framework for SEN, children are only placed in a Special School or Specialist Resource Base where this is:

- consistent with parents' wishes and
- if there is substantial evidence to show that their needs cannot reasonably be met other than by placement in a specialised setting.

The prospects for pupils with speech and language difficulties to be reintegrated to mainstream school are good; the majority of pupils attending Meadowbank Special School and Allensbank SRB transfer to a local high school at Year 7 and many pupils make sufficient progress to transfer at an earlier age.

There has been a trend away from Special School places for speech and language needs as part of a national trend towards inclusion. Cardiff is the only local authority in England and Wales still maintaining a Special School specialising solely in speech and language needs.

While Special School continues to be an important option for some children with complex, long term learning difficulties, there has been a growing national trend for children with moderate learning delays, speech and language difficulties and physical disabilities to attend a local school. This trend is also reflected in Cardiff.

**5b. Changes in demand for Special School and SRB places**

Although the number of children and young people with speech and language difficulties has not fallen, demand for places at both Meadowbank Special School and Allensbank SRB has reduced in recent years.

At the present time (figures from November 2015) there are 22 pupils on roll at Meadowbank Special School. Demand for places at Allensbank SRB has also fallen from 18 pupils in 2010-11, to 11 pupils in November 2015. This trend is illustrated in Table 1 below.

**Table 1: Meadowbank and Allensbank Specialist Resource Base numbers on roll, 2010-2015**

| | **Meadowbank** | ***Allensbank*** | **Total pupils** |
|---|---|---|---|
| 2010-11 | 40 | *18* | 58 |
| 2011-12 | 35 | *18* | 53 |
| 2012-13 | 34 | *13* | 47 |
| 2013-14 | 32 | *16* | 48 |
| 2014-15 | 27 | *14* | 41 |
| November 2015 | 23 | *11* | 34 |

Admissions have been falling for a few years with the result that there are now very few Foundation Phase pupils in either setting. There were no admissions to either setting in September 2015. The current age profile is illustrated in Table 2 below.

**Table 2: Age profile of pupils in speech and language provision**

| | Meadowbank | Allensbank | Total |
|---|---|---|---|
| Reception | 0 | 0 | 0 |
| Year 1 | 2 | 0 | 2 |
| Year 2 | 4 | 4 | 8 |
| Year 3 | 3 | 2 | 5 |
| Year 4 | 2 | 2 | 4 |
| Year 5 | 6 | 3 | 9 |
| Year 6 | 6 | 0 | 6 |
| | 23 | 11 | 34 |

The table shows that there are now only 10 Foundation Phase pupils attending Meadowbank and Allensbank SRB, and 24 Key Stage 2 pupils.

As the number of pupils has fallen, the therapy allocation to Meadowbank Special School and Allensbank SRB has been reduced in order to provide more support for pupils in mainstream schools.

**5c. Why has the need for Special School and SRB places fallen?**

The trend does not arise from a reduction of need, but from changing expectations and from the availability of effective mainstream support.

The following factors are explored in more detail below:

- There is a national trend towards more inclusive educational practice;
- A successful programme of early intervention and capacity building has been implemented in Cardiff's mainstream schools;
- Between September 2014 and July 2015, the therapy service rolled out a school-based therapy service, in place of the clinic-based model;
- Pupil outcomes for children with speech and language difficulties in mainstream are good.

**5d. National trend for inclusion**

The trend away from Special School places for speech and language needs is part of a national trend towards inclusion. The majority of children attending a Special School now have severe and complex needs and are likely to benefit from a specialist education throughout their school life.

In contrast, children with specific speech and language difficulties have good prospects for succeeding in mainstream education provided they receive effective specialist support when young. Increasingly, this support can be provided effectively in a mainstream context.

Pupils who attend Meadowbank Special School or Allensbank SRB typically transfer to mainstream secondary schools. It can be very challenging for pupils to transfer directly from a small special class to a large mainstream secondary school in one step. The local authority undertook consultation with Meadowbank Special School and Allensbank SRB parents in 2012, to identify the best way of supporting transition to secondary school.

There were two main outcomes from this consultation:

- The capacity of the Specialist Teacher Team was increased in order to provide more support for transition and for secondary pupils in mainstream; and
- Both Allensbank and Meadowbank schools began working towards earlier reintegration to mainstream. Many pupils now have the chance to reintegrate to a local primary school and to establish friendships there before transferring to secondary school.

In the past, a significant factor in the choice of the Special School or SRB was that these settings were the only schools where school-based therapy was provided and where therapists and teachers worked closely together to provide support. Children who remained in their local mainstream school would be obliged to miss school on a regular basis and travel to a clinic to receive therapy. Direct contact between therapists and mainstream teaching staff was often minimal and varied from one area to another.
With the roll out of a school-based therapy service in 2014-15, pupils included in mainstream are no longer disadvantaged in terms of access to therapy and there are additional benefits to remaining in the local school:

- The child experiences fewer transitions;
- Local friendships;
- Good role models to support the child's speech and language development.

**5e. Early intervention and capacity building in Cardiff**

Since 2010, a strategic programme of capacity building and early intervention has significantly improved the extent to which children with speech and language difficulties can be well-supported in their local mainstream school.

The Specialist Teacher Speech and Language Team provides effective support, training and advice to mainstream schools and provides direct teaching intervention to pupils with the most severe difficulties.

Using the 'Speech Links' and 'Language Links' programmes, primary schools assess the language development of all children entering Reception and use a range of strategies and interventions to address any language delays identified. This approach has been effective in improving the language skills of children by an average of 20 percentage points during the Reception year. The quality and timeliness of therapy referrals has also improved, with a positive impact on reducing therapy waiting times.

Speech Links and Language Links have been established in all but one primary school in Cardiff and are now being rolled out across secondary schools.

Joint working between Cardiff and the Vale University Health Board (CVUHB) Speech and Language Therapy Service and the Education Service has lead to improved support for children with speech and language difficulties. Speech and language therapists work closely with the specialist teacher team to deliver the five stage graduated response, with a single referral pathway and a shared caseload. This approach has lead to less duplication and a more efficient and effective service. The partnership between health and education in Cardiff was awarded an NHS prize for innovative practice in 2014.

**5f. School-based therapy service (introduced in Cardiff between September 2014 and July 2015)**

In 2014-15, the Speech and Language Therapy Service established a school-based therapy service, with a range of benefits:

- Children in mainstream education are no longer disadvantaged in comparison to Special School or SRB pupils, as now they do not have to travel to a clinic to access therapy;
- School-based therapy is more accessible for families without their own transport and children do not miss school in order to attend the clinic;
- There are stronger links between schools and the therapy service, with therapists providing direct advice to class teachers and teaching assistants to enable them to deliver and oversee programmes.

The school-based service was rolled out in the Vale of Glamorgan a year earlier than in Cardiff. Data collected by CVUHB demonstrates that the school-based service has led to fewer pupils being discharged early due to non-attendance at clinic. Early signs suggest that the same benefits are being realised in Cardiff.

A breakdown of the therapy caseload demonstrates that the majority of speech and language children are now being supported in mainstream schools. This is illustrated in Table 3.

**Table 3: Therapy caseload by level of need (Stage 5 being the highest level of need), June 2015**

| | Meadowbank | Allensbank | Mainstream | Total |
|---|---|---|---|---|

| | | Specialist Resource Base | | caseload |
|---|---|---|---|---|
| **Stage 5 (direct input)** | 7 | 1 | 48 | 56 |
| **Stage 4 (direct input)** | 11 | 12 | 188 | 211 |
| **Stage 3 (monitoring)** | 7 | 2 | 249 | 258 |

**5g. Outcomes for pupils in mainstream education**

Pupils in mainstream education are achieving their measurable targets. These targets are jointly set between education and health. Progress is also measured via the Speech and Language Link screening tools and school-based attainment progress. This is illustrated in Table 4 below, which sets out the results of pre- and post- intervention screening in Reception.

**Table 4: Data showing the increase in reception age pupils with age appropriate Language Skills and the progress they make over the academic year**

| Year | 2010- 2011 | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 |
|---|---|---|---|---|---|
| **Pre Screen** | 63.8% | 57.2% | 69% | 63.8% | 67.5% |
| **Post Screen** | 84% | 80.1% | 83% | 83.7% | 84.9% |
| **% point increase** | 20.2 | 22.9 | 14 | 19.9 | 17.4 |

**6. Changing need for Special School, Specialist Resource Base and early intervention provision for other areas of SEN**

A review of specialist provision for pupils with SEN was completed in 2013. This identified a number of priorities for future development of Special School and SRB provision, including the need to create additional places for:

- Complex learning difficulties
- Autism Spectrum Conditions
- Behavioural, emotional and social difficulties

Demand for Special School or SRB places for primary aged children presenting with challenging behaviours has increased over the last two years. In 2014-15 there was a 30% increase in the number of new statements for this area of need.

In March 2014 a focus group of Headteachers, health professionals, children's services and parent partnership representatives was consulted on the priorities for future development of behavioural, emotional and social difficulties provision in Cardiff.

There was consensus on the need for:

- Additional capacity for early intervention such as Nurture Classes and Revolving Door classes;
- Greater emphasis on the underlying needs experienced by this group including: mental health and medical needs; speech and language difficulties; literacy and numeracy delays.

Extending capacity for early intervention for pupils with behavioural emotional and social difficulties is therefore a high priority for Cardiff. The need to plan for future expansion of provision for Autism Spectrum Conditions and for complex learning difficulties is also a priority.

## 7. A Strategic Approach to Improving SEN Provision

In 2015, the Education Strategic Group discussed and agreed an Additional Learning Needs (ALN) Strategy which sets out the principles and high level actions for developing SEN provision through School Organisation Planning.

The Strategy sets out the following principles:

- All children should have access to an appropriate education that affords them the opportunity to achieve their personal potential.

- An inclusive approach to education incorporates the views of parents and children, and recognises the wider needs of vulnerable families.

- An effective graduated response to additional learning needs is underpinned by collaboration with health, children's services and other partners.

- With the right training, strategies and support, nearly all children with special educational needs can be successfully included in mainstream education.

- Children in Welsh and English medium education should have equitable access to specialist learning provision.

- As far as practicable, provision for special educational needs should be locally based, to reduce the extent to which children travel to access education.

- Mainstream education will not always be right for every child all of the time: a high quality range of Learning Resource Bases and Special Schools should be maintained in order to offer excellence and choice for all children.

- Special Schools should function as 'Centres of Excellence' providing a high quality learning environment for children with a complex range of needs, and sharing expertise with their mainstream partners.

- The interests of all pupils must be safeguarded.

These principles underpin the current proposal.

## 8. Early Intervention Classes

Cardiff Council is therefore proposing to develop a network of 7 Early Intervention Classes across the city. This would significantly increase capacity to support primary aged pupils who are vulnerable to exclusion due to their social emotional difficulties.

The goal would be for each of the six neighbourhood areas to have an Early Intervention Class to provide places for children in the Neighbourhood. In addition, a Welsh medium EIC would provide places for children in the Welsh medium sector.

The existing 'Revolving Door' class at Glan yr Afon Primary School, the Specialist Resource Base at Fairwater Primary School and the 'Nurture Class' at Springwood Primary School would cease to operate as they do at present and become part of the network of Early Intervention Classes.

In addition the Local Authority would establish four new Early Intervention Classes including one in a Welsh medium school.

**8a. Purpose of an Early Intervention Class**

- To provide intensive assessment and short term support for children displaying significant difficulties due to attachment disorders; language, literacy and numeracy delays; poor social skills and understanding; challenging social circumstances; emotional difficulties.
- Work in collaboration with parents/ carers, educational psychology, specialist support services, health, children's services and other partners.
- Establish and implement an Individual Development Plan.
- Work in partnership with the child's local school to enable successful reintegration.
- Support the development of positive relationships between home and school.

**8b. Processes**

- Placement decisions will be made by panels of Headteachers and professionals.
- Consent of parent/ carers must be obtained before a referral is made.
- The views of parents/ carers and the child must be sought and will inform the placement decision.

**8c. Criteria**

Placement in an Early Intervention Class will be considered when there is evidence that:

- Despite sustained, relevant and purposeful action to support them, the child is unable to settle and learn in a mainstream classroom.
- The child has good potential for reintegrating and succeeding in mainstream with the right support.

**8d. Operation**

- Children will be dual registered in their local school and the EIC school.

- Placements will be for 3-4 terms, with phased reintegration undertaken over the course of the placement.
- Ongoing multi disciplinary assessment to identify the child's strengths and needs.
- Every child will have an Individual Development Plan.
- Team Around the Family plans where appropriate.
- A plan for supporting and developing capacity at the local school, to enable successful reintegration.
- The local school will contribute to cost of the placement.
- Educational Psychology Service and Specialist Teacher Services will contribute to assessments, support and advice to both the EIC school and the local school, provide training and support to the local school as identified in plans.

**8e. Neighbourhood Approach**

It is anticipated that once the full network of 7 EICs is in place, they will operate on a locality basis, providing places for children within the neighbourhood and reducing the need for children to travel long distances to access specialist support.

**9. The proposal**

To respond to the falling demand for speech and language places and the increased demand for provision for other areas of special educational need, the Council is now consulting on the following proposals:

1. Close Meadowbank Special School at the end of the academic year 2017. In consultation with parents, the 11 remaining pupils would be offered places at Allensbank Specialist Resource Base (SRB) or in a mainstream local school with funded support.

2. Continue to maintain a Specialist Resource Base (SRB) at Allensbank but cease admission of pupils with speech and language difficulties, unless transferring from Meadowbank Special School. Redesignate this as an SRB for pupils with autism spectrum conditions, with first admission of ASC children in September 2018.

3. Continue to maintain a Specialist Resource Base (SRB) at Fairwater but cease admission of pupils with statements for behavioural, emotional and social difficulties. Redesignate this as an Early Intervention Class from September 2018.

4. Maintain the specialist classes at Glan Yr Afon (Revolving Door) and Springwood (Nurture Class), but rebadge these as Early Intervention Classes, adopting the proposed admission criteria and operational procedures outlined above from September 2018.

5. Identify four additional primary schools (one in Welsh medium sector, three schools in English medium sector) in various locations across the city, to host Early Intervention Classes. Consideration will need to be given to availability of suitable accommodation and distribution of schools across the city. Further

consultation with named schools will be needed before a final decision could be reached.

## 10. School Capacities, Condition and Suitability of School Buildings

**Table 5 below provides details of school capacities and information regarding the condition and suitability of school buildings**

| **Capacity, condition and suitability of schools affected by the proposals** | | | | |
|---|---|---|---|---|
| Name of School/Age Range | Language medium/ Category of school | Condition Category as identified by 21st Century Schools Survey | Current Published Capacity (age 4-11) | Published Capacity (nursery part-time places) |
| Meadowbank School (4-11) | English-medium (Special) | Satisfactory | 40 | 0 |
| Allensbank Primary School (3-11) | English-medium (Community) | Satisfactory | 300 | 64 |
| Fairwater Primary School (4-11) | English-medium (Community) | Satisfactory | 283 | 0 |
| Glan yr Afon Primary School (3-11) | English-medium (Community) | Satisfactory | 292 | 64 |
| Springwood Primary School (3-11) | English-medium (Community) | Poor | 420 | 48 |

## 11. Location of Schools affected by the proposals

The location of each of the above schools can be seen on the map below:


## 12. How would other schools be affected?

The proposal would reduce the number of special school places available, however this is not expected to impact on access to or the quality of provision available.

It is anticipated that the proposal would have no effect on the number of pupils on roll at Allensbank Primary, Fairwater Primary, Glan yr Afon Primary or Springwood Primary.

**Table 6 below illustrates the number of pupils on roll at schools affected by the proposals and the projected number of pupils on roll should the proposals proceed/not proceed**

| School | January 2010 (NOR) | January 2011 (NOR) | January 2012 (NOR) | January 2013 (NOR) | January 2014 (NOR) | January 2015 (NOR) | 2015/2016 Projection | 2016/2017 Projection | 2017/2018 Projection | 2018/2019 Projection | 2019/2020 Projection |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Meadowbank School | 41 | 40 | 35 | 34 | 30 | 29 | 23 | 17 | 11 | 9 | 6 |
| Allensbank Primary School | 139 | 165 | 218 | 231 | 242 | 252 | 267 | 270 | 286 | 272 | 267 |
| Fairwater Primary School | 206 | 216 | 205 | 201 | 211 | 205 | 227 | 233 | 229 | 229 | 217 |
| Glan yr Afon Primary School | 152 | 143 | 138 | 134 | 151 | 156 | 163 | 178 | 181 | 173 | 168 |
| Springwood Primary School | 160 | 154 | 129 | 160 | 158 | 178 | 177 | 186 | 176 | 183 | 173 |

## 13. Interim arrangements

Changes would be carefully planned in consultation with parents and professionals to take account of the needs of pupils attending each of the affected settings, to minimise disruption to their learning and to take full account of parental views.

### Meadowbank pupils

The proposed closure date for Meadowbank Special School is the end of the academic year 2017. The majority of current pupils would have transferred to secondary school or reintegrated to a mainstream primary by that date. Remaining pupils would be offered a range of options, depending on their needs and on parents' views.

The options would include:

- Transfer to the SRB at Allensbank, which will continue to be a speech and language SRB until the current pupils have transferred to secondary school.
- A supported programme of reintegration to their local mainstream school. This would include funded additional support from an appropriately trained Teaching Assistant, school-based therapy if this continues to be an assessed need; support from the Specialist Teacher Service. Many Meadowbank pupils have taken this step over the last few years and it has proved more successful and an easier transition for the pupil than reintegrating to mainstream education at the end of year 6.

### Allensbank Specialist Resource Base pupils

The proposed change of use of the SRB at Allensbank Primary School would be timed to take account of the needs and ages of existing pupils. The classes would continue to operate as a speech and language specialist setting until the current pupils move on, including any pupils who may transfer from Meadowbank.

Even if all Meadowbank pupils transfer to the Allensbank place, there will be capacity to begin admission of pupils with Autism Spectrum Conditions from September 2018. This is illustrated in the table below:

| Year | Projected number of speech and language pupils in Allensbank SRB | Available places |
|---|---|---|
| 2017-18 | 19 | 1 |
| 2018-19 | 15 | 5 |
| 2019-20 | 10 | 10 |

During the period of transition, there may be a period of 2-3 years when the SRB would operate mixed classes of pupils with speech and language needs and Autism Spectrum Conditions. Classes for a range of needs operate successfully in many Cardiff schools and in other local authorities. However, care would be taken not to compromise the quality of support by placing pupils with incompatible needs together.

**Fairwater Specialist Resource Base pupils**

The proposed change of use at Fairwater Primary School, from an SRB for statemented pupils, to an Early Intervention Class, could be phased in over time, with some statemented pupils continuing to be taught alongside new admissions on the early intervention programme. As the needs of all pupils would be similar, the mixed arrangements would not have a detrimental impact on the pupils.

It is possible that the processes of supported reintegration for pupils admitted on the early intervention programme, could enhance the prospects for some statemented pupils to reintegrate to mainstream schools.

**Glan yr Afon 'Revolving Door' class**

The 'Revolving Door' class at Glan yr Afon Primary School currently admit pupils for a one term programme, after which they return to their local school or transfer to more specialist provision. There would therefore be no implications for current pupils.

**Springwood 'Nurture Class'**

The 'Nurture Class' at Springwood Primary School currently admit pupils for a three to four term programme, after which they return to their local school or transfer to more specialist provision. This is the same placement pattern as that planned for the early intervention classes so there would be no implications for current pupils.

**14. Quality and Standards**

The Council works closely with the governing bodies of schools to ensure that standards in schools are high, that teaching is good and that leadership and governance is strong. The Council works closely with two organisations in order to monitor the performance of schools and to support school improvement.

Estyn is the office of Her Majesty's Chief Inspector of Education and Training in Wales. It is a Crown body, established under the Education Act 1992. Estyn is independent of the National Assembly for Wales but receives its funding from the Welsh Government under Section 104 of the Government of Wales Act 1998. Estyn inspects quality and standards in education and training providers in Wales.

Central South Consortium Joint Education Service (CSCJES) was established in September 2012. The Local Authority has commissioned the Consortium to support and challenge schools in Cardiff.

When proposing changes of this type to schools, Local Authorities are required to refer to the most recent Estyn reports, other evidence derived from performance monitoring and any other information available on a school's effectiveness.

They must also demonstrate the likely impact of the proposals on the quality of:

• outcomes (standards and wellbeing);

provision (learning experiences, teaching, care support and guidance, and learning environment);and

• leadership and management (leadership, improving quality, partnership working and resource management).

**Estyn**

Schools are inspected as part of a national programme of school inspection. The purpose of an inspection is to identify good features and shortcomings in schools in order that they may improve the quality of education offered and raise standards achieved by their pupils (Esytn)

The relevant Estyn Inspection reports provide grades against Key Questions and provide schools with recommendations for improvement.

Estyn inspection carried out after September 2010, provide judgements against three Key Questions.

Each key question is provided with a judgement:

Excellent – many strengths, including significant examples of sector-leading practice
Good – many strengths and no important areas requiring significant improvement
Adequate – strengths outweigh areas for improvement
Unsatisfactory – important areas for improvement outweigh strengths

**Welsh Government categorisation of schools**

In 2014 the Welsh Government introduced a new categorisation system that considered each school's standards alongside the school's capacity to improve so as to understand the level of support that organisations such as the CSCJES need to provide to each school in order that they achieve their targets.

The categorisation system is described in Table 7 below:

**Table 7: Welsh Government Categorisation System**

| Category | What the category means |
|---|---|
| Green | A highly effective school which is well run, has a strong leadership and is clear about its priorities for improvement. |
| Yellow | An effective school which is already doing well and knows the areas it needs to improve. |
| Amber | A School in need of improvement which needs help to identify the steps to improve or to make change happen more quickly. |
| Red | A school in need of greatest improvement and will receive immediate, intensive support. |

To determine the colour coded category as explained in the table above, schools are placed in one of four groups for standards (1-4) and for bringing about improvement (A-D) with one being the highest grouping for standards and A being the highest for improvement capacity.

For further information about the new categorisation scheme, please see Welsh Government's parents' guide to the National School Categorisation System:

http://gov.wales/docs/dcells/publications/150119-parents-guide-en.pdf

**Meadowbank Special School**

Meadowbank Special School was last inspected in November 2013. The school's performance was judged to be good with prospects for improvement judged to be adequate.

In December 2014, the school was judged to have made good progress and as a result was removed from the list of school required Estyn monitoring.

**Allensbank Primary School**

Allensbank Primary School was last inspected in December 2013. The school's performance was judged to be adequate with prospects for improvement judged to be adequate.

In February 2015, the school was judged to have made sufficient progress and was removed from the list of school requiring significant improvement.

The Welsh Government has classified the school as Red.

**Fairwater Primary School**

Fairwater Primary School was last inspected in July 2013. The school's performance was judged to be adequate with prospects for improvement judged to be adequate.

In November 2015, the school was judged to have made sufficient progress and was removed from the list of schools requiring significant improvement.

The Welsh Government has classified the school as Red.

**Glan yr Afon Primary School**

Glan yr Afon Primary School was last inspected in January 2015. The school's performance was judged to be adequate with prospects for improvement judged to be good.

The Local Authority will monitor the school's performance.

The Welsh Government has classified the school as Red.

**Springwood Primary School**

Springwood Primary School was last inspected in September 2012. The school's performance was judged to be good with prospects for improvement judged to be adequate.

In December 2013, the school was judged to have made good progress and was removed from the list of schools required Estyn monitoring.

The Welsh Government has classified the school as Yellow.

**Standards**

The Council's aim is to provide good quality SEN support in both English-medium and Welsh-medium across the city. All children and young people in Cardiff should be educated in environments that are fit for purpose, in the right place to enable the effective delivery of first class education.

The Council has in place policies to support school improvement e.g. 'High Achievement for All' and 'Achievement for Inclusion'. It is working to respond to the key principles of the School Effectiveness Framework to secure better learning outcomes and well-being for all children including those at the schools which form part of these proposals.

It is acknowledged that there are differing standards at the schools included in these proposals and support specific to the needs of each school is in place and will continue to be provided as appropriate with a view to raising standards and improving outcomes for all.

As the proposals are not proposing any changes in respect of mainstream education provision it is not anticipated that there will be any impact on the quality of standards of education or the delivery of the Foundation Phase and in each key stage of education at any of the schools.

**Provision**

The number of pupils requiring SEN support is increasing that the changes to existing SRB provision/establishment of additional SRB provision will ensure the availability of appropriate English-medium and Welsh-medium capacity.

**Leadership and Governance**

The Council will work with the leadership of any school affected by the proposals to develop a rigorous whole school approach to improvement planning and secure good relationships with parents and other partners in order to ensure pupils receive a high quality education.

Careful planning will take place during the proposed period of change to avoid any risk of distraction or disruption to leadership and governance that could impact on educational outcomes.

The LA has no information to suggest that the Quality and Standards of existing schools would be negatively affected by the proposals.

**15. What are the benefits of these proposals?**

The proposal would offer the following educational benefits:

- Reduce the number of school transfers for children with speech and language difficulties, by ensuring every child can be effectively supported in mainstream education throughout their education.

- Significant expansion of Early Intervention Classes for vulnerable learners with social and emotional needs, attachment difficulties and mental health needs. This will strengthen the graduated response to SEN. It will increase the number of children who can be successfully included in their local school.

- Additional provision in the Welsh medium sector. An Early Intervention Class will supplement the SRB provision currently available in Welsh medium.

- An increased number of SRB places for children with complex learning difficulties, and with Autism Spectrum Conditions, in line with projected needs.

**16. Potential disadvantages of the proposals**

- A small number (11) of younger pupils currently attending Meadowbank Special School would be affected by the school closure as they would need to transfer to an alternative school. However, there would be sufficient time to plan and support a transition to ensure as much consistency as possible. Parents would be fully consulted on the appropriate school for their child, and the support that would need to be in place. Places in Allensbank SRB would be available for every Meadowbank child if this is parental preference, although it is anticipated that some may choose a local mainstream school.

- A few pupils at Allensbank and Fairwater SRB's could be affected by the changes during the period of transition. Although they would not need to change school, the resource bases may begin to admit pupils with a different set of needs, while some current pupils are still attending. Care would be taken to ensure that any transition arrangements are appropriately staffed, and that the needs of each child would be appropriately met.

**17. Risks associated with these proposals**

- Failure to secure sufficient growth in the number of Early Intervention Classes and Specialist Resource Bases to meet the growing demand for children with additional needs could affect the wellbeing and progress of some children.

- The number on roll at Meadowbank Special School and Allensbank Specialist Resource Base is falling steadily and projected to fall further. If action is not

taken, there is a risk that both settings could become too small to deliver education effectively to the remaining pupils.

**18. Alternatives considered**

The option of keeping Meadowbank open as a speech and language Special School has been considered however this is not considered viable. The school roll has fallen consistently over the last five years and there is no expectation that the trend will reverse. This places the future of the school at risk even if no action is taken.

**19. Admission arrangements**

Admission to Specialist Resource Bases and Special Schools are currently through a statement of special educational needs. The draft Additional Learning Needs Bill proposes changes to this statutory framework, and would replace statements with Individual Development Plans (IDPs). As yet there is no guidance on how admission arrangements will be affected, although it is likely that the process will be similar to the current system.

Temporary placement in the proposed Early Intervention Classes would be through placement panels, subject to agreement by parents/ carers. Placements would be temporary and the child would continue to be registered in their local school.

**20. Financial matters**

All Cardiff schools are funded from the delegated schools budget which is a ring fenced account that allocates funding to each school using the Formula Funding Mechanism. The Formula Funding Mechanism is primarily based on a pupil number basis for Primary and Secondary schools and on a place basis for Special Schools and Specialist Resource Bases (SRB's).

In this particular instance, the phased reduction of the number of places at the Special School will result in a corresponding reduction in the amount of funding being provided to this school. The school is currently operating within its delegated budget and maintains a surplus balance despite falling number of places. However this may not continue to be the case should pupil numbers continue to fall. Using the revised number of places a financial profile of the school for the forthcoming medium term is required in order to establish whether or not the school will be in deficit at any point. In the event of the financial profile indicating a deficit then there will be a need to identify an appropriate source which would bridge the gap. Consideration also needs to be given to the governance arrangements of the school when financial viability becomes a clear risk.

The need for some additional places in some SRB’s has been identified and the funding for these will be found from the amount released from the reduction in places in Meadowbank Special School. There will also need to be consideration of any other financial impact on schools as a result of increasing capacity in order to ensure that schools are appropriately funded. This proposal is likely to generate savings for

the delegated schools revenue budget but this cannot be effectively quantified at this stage and will need to be considered in detail.

Once identified, there will be a need consideration of the site currently occupied by Meadowbank Special School in terms of potential capital receipt or alternative use.

**21. Human Resources matters**

A Human Resources Framework has been produced in consultation with key stakeholders including headteachers, governors, representatives of the diocesan authorities and the trade unions. It provides the basis for managing the human resources issues associated with School Organisation Planning and its purpose is to support governing bodies and staff working in schools, through a variety of strategies and with the ultimate aim of minimising compulsory redundancies across schools in Cardiff.

In the period leading up to the closure of a school, as pupil numbers reduce, the impact on the school budget and staff resources will need to be managed through the School's Redeployment and Redundancy Policy and Procedure, which has been developed in consultation with trade unions and key stakeholders. The Council will also support the Headteacher and governing body during this time, as they will need to ensure that staff continue to be supported and motivated during what may be a potentially difficult situation and the Headteacher is able to manage recruitment and retention of employees.

A key aspiration for the Council is to achieve staff reductions as far as possible through redeployment rather than voluntary redundancy or compulsory redundancy means. Therefore the Council is committed to maximising opportunities for school staff to secure employment in other schools in Cardiff and will facilitate a redeployment process.

Full support will be offered to the school staff and governing body of Meadowbank Special School by HR People Services throughout the reorganisation. This will involve attendance at consultation meetings, meetings with school staff where appropriate and the circulation of a Frequently Asked Questions document.

**22. Land matters**

The future use of the Meadowbank Special School site would be considered should the proposal be progressed to implementation. It is expected that the site would be retained for educational purposes.

**23. Learner travel arrangements**

Under these proposals there are no plans to change the Council's policy on the transport of children to and from schools. Any pupils affected by this proposal would be offered the same support with transport as is provided throughout Cardiff and in accordance with the same criteria that apply across Cardiff. The Council's transport policy can be viewed on the Council's website

(www.cardiff.gov.uk/ENG/resident/Schools-and-learning/Schools/School-transport/Pages/default.aspx).
There is a statutory legal obligation on the Council to provide free home to school transport to Primary school pupils who live 2 miles or more from the nearest suitable school, as measured by the shortest available walking route.

When deciding which is the nearest suitable school, the local authority must consider any disability a child has and any special educational needs (SEN).

**24. Impact of the proposal on the Welsh language**

It is anticipated that the proposal would have a beneficial impact on Welsh language as it would address the need for Welsh medium SEN provision.

**25. Equality matters**

An initial Equality Impact Assessment has been carried out. The assessment concluded that this proposal would not adversely affect a particular group in society. The assessment will be reviewed following consultation.

**26. Sustainability matters**

A Strategic Environmental Assessment (SEA) of the proposal has been carried out in accordance with European Legislation. The assessment confirms that the proposal is compatible with the environmental objectives identified in the SEA of Cardiff's 21st Century: A Strategic Framework for a School Building Improvement Programme.

**27. Considering community impact**

There is a need to respond to a trend away from Special Schools for speech and language needs and to increase provision for Primary aged pupils presenting with challenging behaviours without impacting adversely on the community. The following are taken into account when considering a proposal: Public Open Space, parkland, noise and traffic congestion. Officers will work with schools and any community groups to ensure that should the proposal proceed it would avoid negative impacts wherever possible.

**28. What happens next?**

**Key dates**

The feedback from this consultation will be collated and summarised, and a report presented to the Council's Cabinet. This consultation report will be available for all persons to view on the Council website and copies can be obtained on request by using the contact details in this document.

There are a number of further stages that the Council would have to go through before a final decision is made by the Council.

**Consultation period**

The consultation period for these proposals starts on 11th February 2016 and ends on 23rd March 2016.

Within 13 weeks of 23rd March 2016 a consultation report will be published on the City of Cardiff Council website. Hard copies of the report will also be available on request. The report will summarise the issues raised by consultees during the consultation period and provide the Council's response to these issues. The report will also contain Estyn's view of the proposals.

The Council's Cabinet will consider the consultation report and decide whether or not to proceed with the proposals.

If the Cabinet decides to continue with the proposals the City of Cardiff Council must publish a statutory notice.

**Statutory Notice**

The statutory notice would be published on the City of Cardiff Council website and posted at or near the main entrance to the school/sites subject to the notice. Copies of the notice would be made available to schools identified in the notice to distribute to pupils, parents, guardians and staff members (the school may also distribute the notice by email). The notice sets out the details of the proposals and invites anyone who wishes to object to do so in writing within the period specified.

**Determination of proposals**

The City of Cardiff Council Cabinet will determine the proposals. Cabinet may decide to approve, reject or approve the proposals with modifications. In doing so, Cabinet will take into account any statutory objections that it has received.

**Decision notification**

Following determination of proposals, all interested parties will be informed of the decision which will be published electronically on the City of Cardiff Council's website.

## CONSULTATION RESPONSE FORM (SEN Provision 2016)

Consultation on specialist provision for primary aged pupils with Speech and Language Difficulties and with Behavioural, Emotional and Social Difficulties.

Your views matter, please tell us what you think about the proposal by:

- Completing and returning the accompanying questionnaire to the address given at the bottom of the form.
- Completing the on line response form www.cardiff.gov.uk/21stcenturyschools
- Or if you prefer you can e-mail your views to: schoolresponses@cardiff.gov.uk

**Please note that all comments sent in writing or by e-mail must contain the full name and full postal address of the person making the comments.**

**The closing date for responses to this consultation is 23 March 2016. Unfortunately no responses received after this date can be considered by the Council.**

Consultation responses will **not** be counted as objections to the proposals. Objections could only be registered following publication of a **statutory notice**.

Any responses received can be requested under the Freedom of Information Act and may have to be made public, however any information that would identify an individual such as name and address would be removed.

Your name:

…….....

Address:

……..

Postcode:

……..

Date:

……..

Your status: Parent ☐ Governor ☐ Pupil ☐ Member of Staff ☐ Other ☐ (please specify)

……..

1. Do you support the proposal to address the fall in demand for speech and language special school places by closing Meadowbank Special School?

Yes ☐ No ☐

If you **do not** support the proposal, please give your reasons together with any changes or alternatives that you would like to suggest.

2. Do you agree with the proposal to respond to the fall in demand for places at Allensbank SRB by redeveloping this as a Specialist Resource Base for children with Autism Spectrum Conditions?

Yes ☐ No ☐

If you **do not** support the proposal, please give your reasons together with any changes or alternatives that you would like to suggest.

3. Do you agree with the proposal to convert Fairwater Specialist Resource Base, Glan yr Afon Revolving Door Class and Springwood Nurture Class to Early Intervention Classes?

Yes ☐ No ☐

If you **do not** support the proposal, please give your reasons together with any changes or alternatives that you would like to suggest.

4. Do you agree with the proposal to open four additional Early Intervention Classes (subject to further consultation with named schools).

Yes ☐ No ☐

If you **do not** support the proposal, please give your reasons together with any changes or alternatives that you would like to suggest.

Thank you for your comments

Please tick the box below if you wish to be notified of publication of the consultation report ☐

Please return this form to the School Organisation Planning Team, Room 422, County Hall, CF10 4UW by 23 March 2016.

Please return this form to **Room 213, County Hall, Atlantic Wharf, Cardiff CF10 4UW** by **29 FEBRUARY 2016**

This document is about changes proposed to schools in your area. You have been sent this document for you to find out more about this proposal and for you to give your views. Please tick this box if you require this information in your language and write your name, address and telephone number in English or Welsh in the large box at the bottom of the form. Please return this form to the address at the top of the form.

| | | |
|---|---|---|
| FR | ☐ | Ce document est sur les changements proposés dans les écoles de votre region. Vous avez été envoyé ce document pour que vous vous renseigner d'avantage au sujet de la proposition et pour vous de donner votre opinion.<br>Veuillez cocher cette case si vous avez besoin de cette information dans votre langue et ecrire votre nom, l'adresse et numero de téléphone en Anglais ou en Welsh/Gallois dans la grande case au bas de ce formulaire. S'il vous plait, retourner ce formulaire à l'adresse indiquée au début de ce formulaire. |
| CN | ☐ | 這份文件是關於您所在地區附近學校更改的提議。該文件已發送給您,<br>讓您更加了解這些提議，並讓你提出你的意見。<br>如果您需要了解這些用你的母語翻譯的信息，請勾選此框.<br>在表格末的大框格里,用英語或威爾士語寫你的姓名，地址和電話號碼。並請將本表格寄回該表格頂部的地址。 |
| SM | ☐ | Warqadani waxay ku saabsantahay aragtida is bedel la doonaayo in lagu sameeyo iskuulada xaafada.<br>Fadlan hadaad u baahantahy faahfaahin ku qoran afkaaga hooyo ,hoos calaamadee.<br>Magacaaga,adireeskaaga, iyo telefonkaagaba ku qor afka ingiriisiga , AMA welshka.<br>Dibna igu soo dir foomka , adireeska kor ku qoran |
| PL | ☐ | Dokument ten dotyczy proponowanych zmian w szkołach w Pańskiej okolicy. Wysłano go po to, by mogli się Państwo dowiedzieć więcej na temat projektu oraz wyrazić swoją opinię.<br>Proszę zaznaczyć to okienko, jeżeli potrzebują Państwo owych informacji w języku ojczystym oraz proszę podać imię, nazwisko, adres i numer telefonu po angielsku lub walijsku w dużym okienku na dole formularza. Proszę zwrócić formularz na adres podany na górze. |
| CZ | ☐ | Tento dokument se týká změn, které byly navrhnuty školám ve vašem okrsku.<br>Dokument vám byl zaslán, abyste se dozvěděli více o tomto návrhu a abyste měli možnost vyjádřit své názory.<br>Prosím zaškrtněte toto políčko, pokud potřebujete tuto informaci ve vašem jazyce a napište svoje jméno, adresu a telefoní číslo v anglickém nebo velšském jazyce do velkého políčka, které je v dolní části tohoto formuláře. Prosím zašlete tento formulář zpět na adresu, která je poskytnuta v horní části tohoto formuláře. |
| AR | ☐ | هذه الوثيقة بخصوص بعض التغييرات المقترحة على المدارس فى منطقتك . و لقد أرسلنا هذه الوثيقة أليك لكى تعلم و تتعرف على هذه المقترحات ثم تبدى رأيك فيها.<br>من فضلك ضع علامة على هذا المربع أذا كنت تحتاج معرفة هذه المعلومات مترجمة ألى لغتك الأصلية ، ثم أكتب أسمك ،و عنوانك ، و رقم هاتفك باللغة الأنجليزية أو لغة الويلش فى المربع الكبير الموجود بأسفل هذه الورقة .<br>من فضلك أرسال هذه الورقة ألى العنوان الموجود فى أعلى هذه الورقة. |
| HD | ☐ | यह दस्तावीज़ आपके क्षेत्र में स्कूलों के लिए प्रस्तावित परिवर्तनों के बारे में हैं। आपको यह दस्ताविज़ इस प्रस्ताव के बारे में और अधिक जानकारी देने के लिए और इसके बारे में आप आपने विचार देने के लिए भेजा गया हैं।<br>अगर आपको आपनी भाषा में इस जानकारी की अवश्यक्ता हैं तो कृपया इस बॉक्स में टिक करे, और फॉर्म के ताल पर बड़े बॉक्स में अंग्रेजी या वेल्श में अपना नाम, पता और टेलिफोने नंबर लिखे। कृपया इस फार्म को उपर दिए गए पते पर वापस भेजे। |

Please return this form to **Room 213, County Hall, Atlantic Wharf, Cardiff CF10 4UW** by **29 FEBRUARY 2016**

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| DR | ☐ | این اطلاعات راجب عو ض شدن برنامها در مکتب ها در این منطقه است. این اطلاعات برای شما روان شده است که شما بیشتر راجب این موضع بفهمید و نظر خود را بگویید.<br>این چارخانه را علامت بزنید اگر می خواهید این اطلاعات در زبان خودتان با شید.<br>اسم و ادرس و تلفن نمبر خود را در انگلیسی یا در ولشی در داخل چار خانه کلن که در پایان این فورم است نوشته کنید.<br>خواهشن پس این فورم را در ادرس که در بالا فورم نوشته است روان کنید. |
| GJ | ☐ | આ દસ્તાવેજ તમારાં વિસ્તારની શાળાઓના દરખાસ્ત થયેલ ફેરફારો બારામાં છે. આ દસ્તાવેજ તમને દરખાસ્ત બાબત વધુ માહિતી મેળવવાં ને તમારાં અભિપ્રાયો આપવા માટે મોકલાયેલ છે. મહેરબાની કરી આ માહિતી તમને તમારી ભાષામાં જોઈએ તો આ ખાનું ભરી દર્શાવો ને તમારું નામ, સરનામું ને ટેલીફોન નંબર અંગ્રેજી કે વેલ્શમાં પત્રકના છેવાડે મોટાં ખાનામાં લખો. મહેરબાની કરી આ પત્રક મથાળે આપેલ સરનામે પરત કરશો. |
| KD | ☐ | نه م نامه یه ده رباره ی نه و گورانکاریانه یه که پیشنیار کراون بو قوتابخانه کانی ناو چه که ت<br>نه م نامه یه ت بو ده نیرین بو نه وه ی نا گاداری نه و پیشنیارانه ت بکه ین و بو چونی خوتمان بو<br>روون بکه یته و ه.<br><br>ئکایه نه و چوار گوشه ب چوکه ده ستنیشان بکه نه گه ر ده ته ویت کوبییه ك له م زانیارانه به زمانی<br>خوت بو بنیرین. ناوی خوت و نه دره سه که ت و زماره ی ته له فونه که ت به ئنگلیزی یان به<br>ویلزی له و چوار گوشه گه وره یه ی خواره وه ی نه م لا په ره یه بنوسه .<br><br>ئکایه نه م لا په ره بنیره بو نه و نه دره سه ی له سه روی نه م لا په ره نوسراوه |
| PJ | ☐ | ਇਹ ਦਸਤਾਵੇਜ ਆਪ ਜੀ ਦੇ ਇਲਾਕੇ ਦੇ ਸਕੂਲਾਂ ਵਿੱਚ ਆਉਣ ਵਾਲੇ ਪ੍ਰਸਤਾਵ ਉਪਰ ਹੈ। ਇਹ ਦਸਤਾਵੇਜ ਆਪ ਦੀ ਇਨ੍ਹਾਂ ਪ੍ਰਸਤਾਵਾਂ ਉਪਰ ਹੋਰ ਜਾਣਕਾਰੀ ਵਧਾਉਣ ਅਤੇ ਆਪ ਦੇ ਸੁਝਾਵ ਲੈਣ ਲਈ ਭੇਜਿਆ ਗਿਆ ਹੈ।<br><br>ਜੇਕਰ ਤੁਹਾਨੂੰ ਇਹ ਜਾਣਕਾਰੀ ਅਪਣੀ ਭਾਸ਼ਾ ਵਿੱਚ ਚਾਹਿਦੀ ਹੈ ਤਾਂ ਇਸ ਖਾਨੇ ਵਿੱਚ ਟਿੱਕ ਕਰੋ ਅਤੇ ਅਪਣਾਂ ਨਾਂ, ਪਤਾ ਅਤੇ ਟੈਲੀਫੋਨ ਨੰਬਰ ਇੰਗਲਿਸ਼ ਯਾਂ ਵੈਲਸ਼ ਵਿੱਚ ਫਾਰਮ ਦੇ ਨਿੱਚੇ ਬੱਣੇ ਵੱਢੇ ਖਾਨੇ ਵਿੱਚ ਲਿਖੋ। ਕਿਰਪਾ ਕਰਕੇ ਇਹ ਫਾਰਮ ਉਪਰ ਦਿੱਤੇ ਪਤੇ ਤੇ ਵਾਪਸ ਕਰੋ। |
| UD | ☐ | یہ دستاویز آپ کے علاقے میں سکولوں کی مجوزہ تبدیلیوں کے بارہ میں ہے۔ آپ کو یہ دستاویز اس لیے لیے بھیجی جارہی ہے تا کہ آپ اس تجویز کے بارہ میں مزید جان سکیں اور اپنی رائے سے آگاہ کریں۔<br>اگر آپ کو یہ معلومات اپنی زبان میں چاہیے تو برائے مہربانی اس خانے میں نشان لگادیں اور اپنا نام، پتہ اور فون نمبر انگریزی یا ویلش زبان میں اس فارم میں نیچے دیے گئے بڑے خانے میں لکھ دیں۔ مہربانی فرما کر یہ فارم اوپر دیے گئے پتہ پر واپس بھجوادیں۔ |
| BG | ☐ | ইহা আপনার এলাকার স্কুল গুলিতে পরিবর্তন সম্বন্ধে প্রস্তাবিত একটি ডকিউমেন্ট। এই ডকিউমেন্টটি আপনাকে পাঠানো হয়েছে আপনার অবগতি এবং অপনার মতামত জানার জন্য।<br><br>যদি এই তথ্যটি আপনার ভাষায় পেতে চান তবে দয়াকরে এই বাক্সে টিক দিন এবং আপনার নাম, ঠিকানা ও টেলিফোন নাম্বার ওয়েলশ অথবা ইংরেজীতে এই ফরমের নিচের বড় বাক্সের মধ্যে লিখুন। দয়াকরে ফরমের উপরে লিখিত ঠিকানায় এই ফরমটি ফেরৎ পাঠিয়ে দিন। |

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| ✉ | Name: |
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**Estyn response to the proposal for school organisation in relation to specialist provision for pupils with special educational needs (SEN) in Cardiff**

This report has been prepared by Her Majesty's Inspectors of Education and Training in Wales.

Under the terms of the School Standards and Organisation (Wales) Act 2013 and its associated Code, proposers are required to send consultation documents to Estyn. However Estyn is not a body which is required to act in accordance with the Code and the Act places no statutory requirements on Estyn in respect of school organisation matters. Therefore as a body being consulted, Estyn will provide their opinion only on the overall merits of school organisation proposals.

Estyn has considered the educational aspects of the proposal and has produced the following response to the information provided by the proposer and other additional information such as data from Welsh Government and the views of the Regional Consortia which deliver school improvement services to the schools within the proposal.

**Introduction**

The proposal is by Cardiff Council.

The proposal is to:

1. Close Meadowbank Special School at the end of the academic year 2017. In consultation with parents, the 11 remaining pupils would be offered places at Allensbank Specialist Resource Base (SRB) or in a mainstream local school with funded support.
2. Continue to maintain a Specialist Resource Base (SRB) at Allensbank but cease admission of pupils with speech and language difficulties, unless transferring from Meadowbank Special School. Redesignate this as an SRB for pupils with autism spectrum conditions (ASC), with first admission of ASC children in September 2018.
3. Continue to maintain a Specialist Resource Base (SRB) at Fairwater but cease admission of pupils with statements for behavioural, emotional and social difficulties. Redesignate this as an Early Intervention Class from September 2018.
4. Maintain the specialist classes at Glan Yr Afon (Revolving Door) and Springwood (Nurture Class), but rebadge these as Early Intervention Classes, adopting the proposed admission criteria and operational procedures outlined above from September 2018.
5. Identify four additional primary schools (one in Welsh medium sector, three schools in English medium sector) in various locations across the city, to host Early Intervention Classes. Consideration will need to be given to availability of suitable accommodation and distribution of schools across the city. Further consultation with named schools will be needed before a final decision could be reached.

**Summary/ Conclusion**

It is Estyn's opinion that the proposal is likely to at least maintain the educational outcomes and provision for pupils in the area.

**Description and benefits**
The proposer has given a clear rationale for the proposal that responds to the falling demand for speech and language places and the increased demand for provision for other areas of special educational need. The proposer clearly outlines its Additional Learning Needs (ALN) Strategy, which sets out the principles and high-level actions for developing SEN provision through School Organisation Planning.

The proposer clearly defines the reasons why Meadowbank Special School should close, for the re-designation of existing SRBs and for the identification of additional primary schools to host Early Intervention Classes, including one in the Welsh medium sector. It clearly and fairly considers the benefits and potential disadvantages of the proposals. The benefits include ensuring that mainstream education can effectively support children with speech and language difficulties, that the graduated response to SEN will be strengthened, and that there will be an increased number of SRB places for children with complex learning difficulties and Autism Spectrum Conditions. In addition, there will be increased provision in the Welsh medium sector. Potential disadvantages include the small number (11) of younger pupils currently attending Meadowbank Special School would be affected by the school closure, as they would need to transfer to an alternative school. However, the proposer considers reasonably that there would be sufficient time to plan and support a transition to ensure as much consistency as possible.

The proposer has included a clearly defined list of options and risks associated with the proposal. These appear to be reasonable and focus mainly on the potential failure to secure sufficient growth to meet the increasing demand for children with additional needs. The proposer has considered suitable alternatives, including keeping Meadowbank Special School open, but gives good reasons as to why this has been discounted. It points to the view that while Special School continues to be an important option for some children with complex, long term learning difficulties, there has been a growing national (UK) trend for children with moderate learning delays, speech and language difficulties and physical disabilities to attend a local school. It maintains that Cardiff also reflects this trend.

The school currently has 23 pupils on roll compared to the current published capacity of 40. The overall building condition is categorised as satisfactory based on the Welsh Government's assessment of building condition.

The proposer has set out the pupil projections year on year until January 2020. These are very low. The proposal would reduce the number of special school places available. However, this is not expected to impact on access to or the quality of provision available. It anticipates that the proposal would have no effect on the number of pupils on roll at Allensbank Primary, Fairwater Primary, Glan yr Afon Primary or Springwood Primary.

The proposer has clearly set out admission arrangements, including a consideration of how this might be impacted on by changes to the statutory framework proposed by the draft Additional Learning Needs Bill. Consideration is given to both the SRBs and the Early Intervention Classes. The proposer suggests that Individual Development Plans (IDPs) would determine admission to the SRBs and that placement in the proposed Early Intervention Classes would be through placement

panels, subject to agreement by parents/ carers. Placements would be temporary and the child would continue to be registered in their local school.

The proposer has considered the impact of the changes on learner travel and anticipates that once the full network of seven Early Intervention Classes is in place, they will operate on a locality basis, providing places for children within the neighbourhood and reducing the need for children to travel long distances to access specialist support.

The proposer anticipates that the proposal would have a beneficial impact on Welsh language as it would address the need for Welsh medium SEN provision. It has undertaken an Equality Impact Assessment that includes a consideration of impact upon people and communities whose language of choice is Welsh. It has concluded that these proposals would not adversely affect any particular group.

**Educational aspects of the proposal**

The proposer notes that Meadowbank Special School was last inspected in November 2013. The school's performance was judged to be good with prospects for improvement judged to be adequate. In December 2014, the school was judged to have made good progress and as a result was removed from the list of school required Estyn monitoring. The proposer does not give details of the categorisation by the regional school improvement consortium (CSC).

The proposer has included information about the performance of schools identified as potential recipients for Meadowbank pupils should there be a decision to close the school. This information includes their inspection outcomes and their national category. The information indicates that Allensbank is categorised as a red school and that its inspection outcomes are at least adequate.

Of the schools considered to house designated or re-designated Early Intervention Classes, three are categorised as red schools (schools in need of greatest improvement and in receipt of immediate, intensive support) and one as yellow school (an effective school that is already doing well and knows the areas it needs to improve). Their inspection outcomes are at least adequate.

In relation to standards, the proposer notes that there are no proposed changes in respect of mainstream education provision. Therefore, it is not anticipated that there will be any impact on the quality of standards of education or the delivery of the Foundation Phase and in each key stage of education at any of the schools.

The information suggests that should the proposal be implemented, it is likely that outcomes and provision for pupils in the area would improve or be maintained.

MB16/11

**Phillips, Joanna**

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| **From:** | Sharpe, Sarah (AM Support Staff, David Melding) <Sarah.Sharpe@assembly.wales> |
| **Sent:** | 15 March 2016 13:28 |
| **To:** | School Responses |
| **Subject:** | Meadowbank Special School - Consultation Response by the Governing Body |
| **Attachments:** | Meadowbank Consultation.docx |

15th March 2016

Dear Sir/Madam,

**Re: Meadowbank Special School**

On 7th March the Governing Body met to receive a presentation from the Authority on its consultation document "Specialist Provision for Primary Aged Pupils with Speech and Language Difficulties and with Behavioural, Emotional and Social Difficulties", and to agree a response. After a full discussion it was resolved to oppose the proposal for the closure of Meadowbank Special School. The reasons for this decision are set out below together with the Governing Body's alternative proposal.

The Governing Body is deeply concerned that the school has not been involved in a meaningful and timely way in the development of provision for primary aged pupils with speech and language difficulties. The educational data on which the Authority has based its proposals is sketchy and must pass reasonable challenge if it is to be considered robust. We note that the evidential basis of the data quoted by the Authority has not been made transparent. It is particularly disappointing that key decision makers such as the Cabinet Member for Education, Cllr. Sarah Merry, have not visited the school. This has all combined to produce proposals that seem abrupt and lacking in strategic depth. The bald statement in the consultation document that the "option of keeping Meadowbank open as a speech and language special school has been considered however this is not considered viable" (p 20) indicates a rigid top-down approach that is not open to wider participation.

Closure of Meadowbank would end the Authority's outstanding record in providing a centre of excellence for primary pupils with severe speech and language difficulties. Meadowbank has been a great resource for the whole primary school sector in Cardiff and has successfully promoted integration. Most pupils who leave Meadowbank return to mainstream schools. This innovative approach has led to an effective balance between early, intensive intervention and longer term integration which has served pupils very well. The Authority's proposals to disperse the expertise at Meadowbank seems particularly ill judged. There is no plan to retain key skills in Cardiff which will surely put at risk the Authority's past achievements in speech and language needs provision. Here, the assertion in the consultation document that "Cardiff is the only local authority in England and Wales still maintaining a special school specialising solely in speech and language skills" (p4) is partial and unhelpful. In fact, many authorities maintain specialist

provision in some form. Yet Cardiff proposes to end specialist provision and this is surely risky as mainstream placements are unlikely to be suitable for all primary pupils with severe needs.

The apparent shift in parental preference is cited by the Authority as one of the main drivers in moving to a mainstream model for speech and language need provision. This change has been rapid and has resulted in a sudden fall in referrals to the school. We do not believe that this shift has been adequately explained. Is this a result of a change of preference based on full information and consideration of the range of options? Parents, staff and governors at Meadowbank are of the view that this abrupt change in parental preference has been guided to some extent by the Authority when providing information to parents seeking appropriate support for their children's speech and language needs.

The Governing Body is also concerned that the recently established (2014-15) school-based therapy service is not yet fully tested in practice. More information on the schools based model is required as there is a fear that it will be more generic and less suitable for pupils requiring intensive therapy.

Given the lack of specialist provision for speech and language difficulties, the Early Intervention Classes will focus on children with behavioural, emotional and social difficulties. These difficulties are sometimes experienced by pupils with severe speech and language difficulties, but it is not a common feature. That the future provision of speech and language needs provision and behavioural, emotional and social difficulties provision have been elided in this consultation is indicative of a flawed strategy.

Meadowbank Special School has a proven track record in responding to changing needs and preferences. It was once a regional school for primary and secondary pupils and had boarding facilities. It then became a day school only, then a primary school, and has developed a range of innovative approaches to promote integration and mainstreaming. We are disappointed that this tradition of improvement and innovation is not being further developed.

After careful consideration, the Governing Body thinks that a better approach for the development of speech and language needs provision in Cardiff would be to keep Meadowbank open, preserve its status as a centre of excellence, and to further develop its links to mainstream. This could be done in a number of ways:

- day classes
- short term admissions for intensive support
- longer term support for pupils not ready or suitable for mainstream
- centre of expertise for training teachers and other staff in mainstream
- provision of specialist speech therapy services

It is our hope that the Authority will act on our recommendations and withdraw its proposal for closure, and instead retain Meadowbank Special School as a centre of excellence.

Yours faithfully,

David Melding AM

Chair, Governing Body, Meadowbank Special School

MB16 | 201

RESPONSE TO 21st CENTURY SCHOOLS CONSULTATION DOCUMENT 2016

Specialist Provision for Primary Aged Pupils

Governors accept the evidence provided by the local authority in regards to the decrease in demand for speech, language and communication placements but feel that with Meadowbank closing, there is still a demand for specialist support which Allensbank could provide.

However, Allensbank is in a good position to accommodate a School Resource Base for pupils with Autism Spectrum conditions due to its friendly and accepting atmosphere and the fact that it is a feeder school for Cathays High School where such provision exists at Secondary level thus enabling pupils to make the Primary/Secondary transition alongside some already familiar faces.

Governors are concerned that:

- The period of transition should not result in mixed classes of either:
  (a) Foundation stage and KS2 pupils or
  (b) Pupils with Speech and Language needs and pupils with Autism Spectrum conditions.

In the case of (a), it would be detrimental to pupil inclusion if they were not placed within their peer group

In the case of (b), the needs of pupils with Speech and Language needs and pupils with Autism Spectrum conditions differ considerably and are to some extent conflicting.

- Staff working in the Resource Base should receive adequate and appropriate training **before** the period of transition or intake of pupils with Autism Spectrum conditions to ensure the consistency and continuity needs of these pupils. This will be negatively impacted if there is the disruption of frequent supply cover to facilitate training.

- Additional accommodation and training costs should not be funded from the school budget. The school will need to consider provision within a potential ASC resource base, not only in terms of resources but also the classroom learning environment. The current SRB classes are contained with one classroom for Foundation Phase and a second class for Key Stage 2. The school utilises all other teaching spaces and consideration would therefore need to be given to the appropriateness of the building for such provision.

**Response to the Consultation Document *Specialist Provision for Primary Aged Pupils with Speech and Language Difficulties and with Behavioural Emotional and Social Difficulties.***

**The Governing Body of Fairwater Primary School <u>does not</u> support the proposal for the following reasons:**

The proposal lacks a clear rationale both for the assessed need and the exact nature of the proposed change of provision. There is insufficient audit information on numbers of appropriately trained staff and likely distribution of children needing SRB places.

- Governors are concerned that provision for **individual** pupil needs is not clearly defined. The proposal reports that the focus group from March 2014 identified the need for greater emphasis on the underlying needs experienced by pupils with BES difficulties. It is not clear in the proposal whether this emphasis could be addressed within an overarching provision of Early Intervention Classes. Specifically Governors have a concern over the potential negative impact of catering for both pupils with Speech and Language Difficulties and BES difficulties in the same provision, given the serious level of BES difficulties currently catered for in Fairwater.
- It is not clear how the notion of 'Early Intervention Classes' will differ from 'Nurture Classes', particularly as staff are currently being trained in 'Nurture' provision.
- The proposal does not include sufficient information on costs or projected capacity building to provide appropriately trained teaching and non-teaching staff to support Early Intervention Classes.
- Governors are concerned that the current process of referring mainstream pupils with Speech and Language Difficulties was extremely complex and onerous and may be contributing to the fall in numbers. More seriously, there is a doubt over the capacity of the local authority to provide sufficient support for children with Speech and Language Difficulties in mainstream schooling.
- The proposal that children in Early Intervention Classes could be returned to mainstream within 3/4 terms is not supported by experience at Fairwater, where some children have remained in SRB for 6 years.

**The Governing Body of Fairwater Primary School <u>does not</u> support the proposal to convert Fairwater Specialist Resource Base to an Early Intervention Class.**

The Governing Body are fully committed to both inclusive education and to Welsh Government aims to reduce the impact of deprivation on achievement.

The reasons for not agreeing with this aspect of the Proposal relate to Governors assessment of the most appropriate strategic direction for Fairwater Primary:

1. The GB have been petitioning LA over several years for nursery provision at Fairwater and have recognized the following factors as supporting their case:

- Acknowledgement from WG that indicators show that by the age of 5, children from deprived backgrounds can be as much as a year behind in their language and learning has been noted.
- The fact that the 21st Century Schools Programme identifies the creation of nursery provision on primary school sites as one of the main priorities.

- The reporting by the Estyn Inspection in July 2013 that, on entry, many pupils at Fairwater had below expected levels of basic skills and maturity.
- Fairwater Reception baseline assessment from 2016 indicating the significant number of stages needed to achieve the baseline
- Comment from the Assistant Director at a Strategic Briefing Meeting in Autumn Term 2015 that Cardiff Council recognized the importance of investing in early years.

2. Fairwater has made significant improvement in raising standards over the past 18 months resulting in moving from Red to Amber categorisation, and the Estyn re-visit report of November 2015 assessing Strong Progress having been made on all five recommendations. The catchment area includes pockets of serious social deprivation and nursery provision is seen as necessary both to meet local social needs, and to ensure that the school continues to reduce the impact of deprivation by raising standards.

3. In improving educational attainment at Fairwater, the GB believes it should be a first priority to address local needs. As far as the children currently in the SRB are concerned, only 2 out of 9 are resident in Fairwater. As far as the Proposal is concerned, it is noted that a 'Neighbourhood Approach' is being advocated, with the 7 EICs operating on a locality basis, reducing the need for children to travel long distances. However, given the current allocation at Fairwater, with children travelling from the other side of the city and as far as Gwaelod y Garth, it is difficult to see how there is anticipated need for pupils from the Fairwater area alone.

4. Budget allocation for Fairwater currently shows a deficit in excess of £30,000 and at their meeting on 15 March 2016 the GB voted to commence a process of staff redundancy in order to reduce the deficit. GB are therefore conscious that strict budgetary control will continue to be necessary, and have a concern that there are periphery costs incurred by the current hosting of the SRB. In addition to the overheads relating to the accommodation, the school is not funded for supply cover to release teachers and teaching assistants for their specialist training, as in the recent example of training for the use of the BSquared Assessment Tool.

5. At their meeting in May 2015, the GB felt it was important to have oversight of the long term strategic direction of the school. Since the rooms occupied by the SRB were considered by the LA to be suitable to for nursery provision, it was agreed to give notice of the intention to open negotiations to terminate the SRB at Fairwater. The GB further voted unanimously on 15 March 2016 to give formal notice to terminate the hosting of the SRB at Fairwater.

On behalf of the Governing Body
Fairwater Primary School
18 March 2016

**Consultation period**

The consultation period for these proposals starts on 11th February 2016 and ends on 23rd March 2016.

Within 13 weeks of 23rd March 2016 a consultation report will be published on the City of Cardiff Council website. Hard copies of the report will also be available on request. The report will summarise the issues raised by consultees during the consultation period and provide the Council's response to these issues. The report will also contain Estyn's view of the proposals.

The Council's Cabinet will consider the consultation report and decide whether or not to proceed with the proposals.

If the Cabinet decides to continue with the proposals the City of Cardiff Council must publish a statutory notice.

**Statutory Notice**

The statutory notice would be published on the City of Cardiff Council website and posted at or near the main entrance to the school/sites subject to the notice. Copies of the notice would be made available to schools identified in the notice to distribute to pupils, parents, guardians and staff members (the school may also distribute the notice by email). The notice sets out the details of the proposals and invites anyone who wishes to object to do so in writing within the period specified.

**Determination of proposals**

The City of Cardiff Council Cabinet will determine the proposals. Cabinet may decide to approve, reject or approve the proposals with modifications. In doing so, Cabinet will take into account any statutory objections that it has received.

**Decision notification**

Following determination of proposals, all interested parties will be informed of the decision which will be published electronically on the City of Cardiff Council's website.

## CONSULTATION RESPONSE FORM (SEN Provision 2016)

Consultation on specialist provision for primary aged pupils with Speech and Language Difficulties and with Behavioural, Emotional and Social Difficulties.

Your views matter, please tell us what you think about the proposal by:

- Completing and returning the accompanying questionnaire to the address given at the bottom of the form.
- Completing the on line response form www.cardiff.gov.uk/21stcenturyschools
- Or if you prefer you can e-mail your views to: schoolresponses@cardiff.gov.uk

**Please note that all comments sent in writing or by e-mail must contain the full name and full postal address of the person making the comments.**

**The closing date for responses to this consultation is 23 March 2016. Unfortunately no responses received after this date can be considered by the Council.**

Consultation responses will **not** be counted as objections to the proposals. Objections could only be registered following publication of a **statutory notice**.

Any responses received can be requested under the Freedom of Information Act and may have to be made public, however any information that would identify an individual such as name and address would be removed.

.....[redacted].....

Date: 24/02/2016

.....

Your status: Parent ☐ Governor ☑ Pupil ☐ Member of Staff ☐ Other ☐ (please specify)

.....

1. Do you support the proposal to address the fall in demand for speech and language special school places by closing Meadowbank Special School?

Yes ☑ No ☐

If you **do not** support the proposal, please give your reasons together with any changes or alternatives that you would like to suggest.

2. Do you agree with the proposal to respond to the fall in demand for places at Allensbank SRB by redeveloping this as a Specialist Resource Base for children with Autism Spectrum Conditions?

Yes ☑ No ☐

If you **do not** support the proposal, please give your reasons together with any changes or alternatives that you would like to suggest.

3. Do you agree with the proposal to convert Fairwater Specialist Resource Base, Glan yr Afon Revolving Door Class and Springwood Nurture Class to Early Intervention Classes?

Yes ☐ No ☑

If you **do not** support the proposal, please give your reasons together with any changes or alternatives that you would like to suggest.

As a Governor for Glan Yr Afon school, I support the EIC proposal but our school suffer severely from having older Yr 5/6 high tariff pupils there. I support the proposal providing we have the ability to negotiate the age and seventy of the pupils we accept.

4. Do you agree with the proposal to open four additional Early Intervention Classes (subject to further consultation with named schools).

Yes ☑ No ☐

If you **do not** support the proposal, please give your reasons together with any changes or alternatives that you would like to suggest.

Thank you for your comments

Please tick the box below if you wish to be notified of publication of the consultation report ☑

Please return this form to the School Organisation Planning Team, Room 422, County Hall, CF10 4UW by 23 March 2016.

MB16/72

**Phillips, Joanna**

**From:** Boyle, Joe (Cllr)
**Sent:** 06 April 2016 10:52
**To:** School Responses
**Cc:** Hoffer, Pat
**Subject:** Springwood Primary School - Response to SLD consultation

Hello,

I am submitting this response to the consultation on specialist provision for primary aged pupils with speech and language difficulties and with behavioural emotional and social difficulties on behalf of the governing body at Springwood Primary School, where I am chair of governors.

Governors received a presentation from council officers on 17th March and discussed their position subsequently.

We have restricted our comments purely to the issue of changing the nurture class currently operating at Springwood into an Early Intervention Class (EIC). We have chosen not to make any comment on the plans for Meadowbank, Allensbank or the other schools identified as a possible base for an EIC.

1. Do you support the proposal to address the fall in demand for speech and language special school places by closing Meadowbank Special School?
**n/a**

2. Do you agree with the proposal to respond to the fall in demand for places at Allensbank SRB by redeveloping this as a Specialist Resource Base for children with Autism Spectrum Conditions?
**n/a**

3. Do you agree with the proposal to convert Fairwater Specialist Resource Base, Glan yr Afon Revolving Door Class and Springwood Nurture Class to Early Intervention Classes?
**No**

The context for our comments is important. Springwood opened its nurture class in January 2014. This came little more than a month after we were first approached by the local authority, shortly before Christmas in 2013. Opening the class at such short notice caused some concern and even lead to a resignation from the governing body. However, it was felt this was an important step for the school and that we had the capacity to help the local authority at a moment of need.

We also felt able to make the move because the remit of the nurture class was relatively tight, in terms of the children we would be hosting, the challenges they presented with and their young age.

The nurture class was a success and contributed to the school's growing reputation for inclusivity. In fact, this success allowed us to embrace the opportunity to open an autism resource base with confidence. The SRB opened in September 2014 and is now a vital part of our school.

One final piece of context is important. Shortly before the Easter holidays, the local authority's school organisation team met the headteacher and chair of governors to discuss the school's 'footprint'. The strong message we were sent was that the school has too much space for the number of children on roll. It appears likely that the local authority will therefore requisition a large part of the upper floor for use by other council-run organisations. This means we will be operating with a much reduced space.

With this context established, governors feel they cannot at present support the location of an EIC at Springwood for the following reasons:

- A lack of clarity about the nature of the children the EIC will host: the broad range of behavioural challenges they will present with; the diagnoses they will come with; their age; the remit of their individual development plans.
- Uncertainty about the school's role in deciding which children to admit. We are uncomfortable that the panel of headteachers and staff that will make this decision would not include input from the school's senior leadership or governors.
- Concern that the reduced amount of space that the school will have following the SOP review might impact on our ability to accommodate the EIC safely.
- Concern that the mix of children with autism (from our SRB) together with children presenting with complex emotional and behavioural difficulties could be difficult to manage. We do not want to see the success of our SRB compromised by introducing children to the school with a further range of complex needs.

While we have reservations about the proposals as outlined in the consultation, Springwood governors will nonetheless give serious consideration to using the space currently allocated to the local authority nurture class to housing its own nurture class. We understand the authority is supportive of schools running their own nurture classes and have identified a clear need in our school for such provision. We are supportive of early intervention strategies which will enable vulnerable pupils to develop the skills and attitudes they need to become successful and well-adjusted young people and adults in the future.

4. Do you agree with the proposal to open four additional Early Intervention Classes (subject to further consultation with named schools).
**n/a**

We hope these views will be taken into consideration.

Regards,

Joe Boyle (Chair of Governors, Springwood Primary School)
Councillor – Penylan
029 2046 2187

ROATH PARK
PRIMARY SCHOOL
YSGOL GYNRADD
PARC Y RHATH

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E-mail roathparkprm@cardiff.gov.uk

Headteacher C J Skinner (B.ED HONS)

29th January, 2016.

Dear Nick,

I am writing on behalf of Cardiff primary headteachers to express our collective concern in response to the consultation on the proposed closure of Meadowbank Special School and the Speech and Language Resource Base at Allensbank Primary School.

In the report which was presented to Cabinet on 3rd December 2015, the reason for the report is identified as "the falling demand for speech and language places and increased demand for provision for children with behavioural social and emotional needs." As a body, we have serious concerns about this statement and the potential loss of this expertise within the city.

Whilst we acknowledge that provision for supporting speech and language within mainstream schools has improved significantly in recent years following the introduction of Speech and Language Link programmes in schools and the more recent introduction of Speech Therapy Services into schools, we do find the statement that "demand for places at Meadowbank and Allensbank SRB has fallen in recent years" to be very surprising. The provision for children with less complex needs has certainly improved significantly within our schools but it still remains a challenge to meet the needs of the most complex children. It is the experience of many Headteachers that statement requests for pupils with complex SLC needs have been turned down much more readily in recent years. This correlates directly with the fall in demand for places which is identified within the proposal.

We are also concerned that the obvious link between poor speech, language and communication skills and challenging behaviour seems to be completely overlooked within the proposal. In a report published by the Royal College of Speech and Language Therapists in August 2015, they identify over 70% of young offenders with significant speech, language and communication difficulties. They state that many of these young people lack the language skills to understand what is happening to them in the justice system and are unable to access the rehabilitation programmes which are on offer to them. As primary headteachers, we are able to clearly identify pupils in our schools at the present time who are exhibiting challenging behaviour but whose underlying issues stem from speech, language and communication difficulties. These can be masked when behaviour is extreme and we have no doubt that the percentage of pupils with underlying SLC difficulties in The Court and Greenhill Schools is disproportionately high. We would like much greater emphasis on speech, language and communication assessments for children whose overt primary need comes across as behavioural.

We know that the proportion of NEET young people across the city continues to present a significant challenge for the council. The potential NEET pupils of the future are already identifiable in primary schools and many of these display significant difficulties with speech. language and communication. Early intervention is crucial and the skills of highly trained staff in specialist environments is often the most effective way of securing the best outcomes for these learners.

The historical picture shows that the prospects for pupils with speech and language difficulties to be reintegrated into mainstream school from Meadowbank and Allensbank SRB are good. This implies that the high quality of teaching that they have received during their time in specialist provision has made a long lasting impact on their speech, language and communication skills and enabled them to access their high school education in a mainstream setting. As far as we are aware, this is not the case for any other specialist provision within the city.

Yours sincerely,

*Colin Skinner*

(Vice Chair Cardiff Primary Headteacher Conference)

Copy to: Rosalie Phillips.

## CONSULTATION RESPONSE FORM (SEN PROVISION 2016)

Your Name: Lorraine Felstead

Address: Meadowbank School

Postcode: CF14 2QQ

Schedule 2
14 MAR 2016

Date: 10 March 2016

Your status: Parent ☐ Governor ☐ Pupil ☐ Member of Staff √

Other ☐ (please specify)

1. Do you support the proposal to address the fall in demand for speech and language special school places by closing Meadowbank Special School?

Yes ☐ No √

If you **do not** support the proposal, please give your reasons together with any changes or alternatives that you would like to suggest.

All children need language to learn, develop their literacy skills, get on with others, manage their behaviour and develop emotionally. Children with severe and profound speech and language impairments (SLI) require a small class setting, experienced teaching staff that understand speech and language difficulties, specialist resources and specialised teaching approaches and strategies. Meadowbank School is a centre of excellent that provides all of the above. It is an invaluable resource that effectively supports the needs of children with SLI. SLI impacts on all areas of a child's learning and on their future prospects and social outcomes. Attending Meadowbank School ensures that children have an effective start to their education that often leads to them being successfully re-integrated into a mainstream school.

The data contained in the consultation document aims to show that children with SLI in mainstream classes make progress and that their needs are being met. However, the data presented is sketchy and is not sufficiently robust for this assumption to be made.

The Local Authority states that parental preference is one of the main reasons for the lack of referrals to the school. However, staff, governors and parents believe that parental preference has been guided away from specialist provision by the Local Authority. As a result of the lack of referrals to the school the 'option of keeping Meadowbank open as a speech and language special school has been considered, however this is not considered viable' (p 20 of the consultation document). This statement shows that the Local Authority is planning to close Meadowbank School whatever the outcome of the consultation.

Closing Meadowbank School will lead to a loss of expertise, fragmented multi-agency working, reduced intensity and specialised speech and language therapy and a reduction in choice of schools for parents.

If Meadowbank School closes and Allensbank School's SRB becomes a provision for children with ASC there will be no specialist provision for children with SLI from September 2018 in the capital city of Wales. All other Local Authority's in Wales have some form of specialist provision for children with SLI.

I strongly believe that Meadowbank School should remain open so that a centre of excellence is preserved. The expertise at the school can continue to effectively meet the needs of children with the most severe and profound SLI and also for the expertise at the school to be used in supporting staff and children in mainstream schools.

This could be achieved in a number of ways:

- Setting up a 'revolving door' day class for children who attend on a part-time/short time placement in order to access intensive support for a limited time.
- Longer term placements for children who need extensive support and a specialist placement and whose needs cannot be met in a mainstream class.
- Extending the early years outreach provision to include children in reception classes.
- Providing specialist speech and language therapy.
- Developing a centre of specialist SLI professional development for teachers and support staff in mainstream schools

2. Do you agree with the proposal to respond to the fall in demand for places at Allensbank SRB by redeveloping this as a Specialist Resource Base for children with Autism Spectrum Conditions?

Yes √ No ☐

If you **do not** support the proposal, please give your reasons together with any changes or alternatives that you would like to suggest.

I agree with this proposal as there is an increased demand for specialist provision to meet the needs of children with Autism Spectrum Conditions.

Allensbank's SRB is currently cited as an alternative to Meadowbank School as it can provide mainstream opportunities/experiences for children who need them. However, I believe that Meadowbank can provide these opportunities and experiences more effectively by providing this provision in a child's own local mainstream school. This enables children to maintain

links with their friends who they live near and to be part of a supportive peer group as they move onto secondary school.

3. Do you agree with the proposal to convert Fairwater Specialist Resource Base, Glan yr Afon Revolving Door Class and Springwood Nurture Class to Early Intervention Classes?

Yes √ No ☐

If you **do not** support the proposal, please give your reasons together with any changes or alternatives that you would like to suggest.

I agree with this proposal as there needs to be consistency across the Local Authority if Early Intervention Classes are to be established.

4. Do you agree with the proposal to open four additional Early Intervention Classes (subject to further consultation with named schools)?

Yes √ No ☐

If you **do not** support the proposal, please give your reasons together with any changes or alternatives that you would like to suggest.

I agree with this proposal. However, the Local Authority needs to consider the following points to ensure that this provision is set up effectively to meet the needs of children who are identified as requiring access to an Early Intervention Class.

- There needs to be clear admission/entry criteria.
- There needs to be a transparent admission process.
- The combination of need and age.
- The location of the classes – some areas of Cardiff may require this provision more than others.
- There needs to be experienced and trained staff in the classes.
- There needs to be a nominated person in the Local Authority who has overall responsibility of the classes to ensure that there is consistency of practice between the classes and the above points are all addressed.

Thanks you for your comments

Please tick the box below if you wish to be notified of publication of the consultation report. √

Please return this form to the School Organisation Planning Team, Room 422, County Hall, CF10 4UW by 23 March 2016

MB16/242

Headteacher
Moorland Primary School

**Do you support the proposal to address the fall in demand for speech and language special school places by closing Meadowbank Special School?**
No

**If you do no support the proposal, please give your reasons together with any changes or alternatives that would like to suggest.**
I think the loss of this specialist provision would have a negative impact on provision for children with the most complex SLCD. Whilst Language Link has had a very positive impact on the Speech and language development of the majority of learners, the most complex children still benefit from a specialist setting where every member of staff is a SLCD expert. I am aware of at least 2 SLCD referrals for statutory assessment in the last 12 months that were both turned down so it is misleading to say there have been no recent referrals. I believe that the majority of pupils who have ESBD statements will also have SLCD, often unidentified as it may have been masked by extremely challenging behaviour. Current research shows that 70% of young offenders have SLCD. It would be beneficial to explore whether ESBD/SLCD provision could be developed in Meadowbank in order to try and address the growing ESBD needs across the city.

**Do you agree with the proposal to respond to the fall in demand for places at Allensbank SRB by redeveloping this as a Specialist Resource Base for children with Autism Spectrum Conditions?**
Yes but only is SLCD provision was still available at Meadowbank

**If you do not support the proposal, please give your reasons together with any changes or alternatives that you would like to suggest.**

**Do you agree with the proposal to convert Fairwater Specialist Resource Base, Glan yr Afon Revolving Door Class and Springwood Nurture class to Early Intervention Classes?**
Yes but I have concerns that the needs of the pupils in these classes will be too broad. It is also difficult to imagine what would happen to children who appear in the system when all the places are taken up for 3-4 terms at a time.

**If you do not support the proposal, please give your reasons together with any changes or alternatives that you would like to suggest.**

**Do you agree with the proposal to open four additional Early Intervention Classes (subject to further consultation with named schools)**
Yes but there would need to be an equitable system across the city, recognising that the demand/threshold in some areas will be much higher than others. the funding must be direclty linked to the chidlren with the most complex needs and not to the areas where the parents shout the loudest.

**If you do not support the proposal, please give your reasons together with any changes or alternatives that you would like to suggest.**

MB16/242

Headteacher
Springwood Primary School

**Do you support the proposal to address the fall in demand for speech and language special school places by closing Meadowbank Special School?**

**If you do no support the proposal, please give your reasons together with any changes or alternatives that would like to suggest.**
I would like to extend the use of Meadow Bank school, particularly to address the shortage of places for pupils with behaviour issues. I am concerned that with the increase in population in Cardiff that we may be too quick to close this resource.

**Do you agree with the proposal to respond to the fall in demand for places at Allensbank SRB by redeveloping this as a Specialist Resource Base for children with Autism Spectrum Conditions?**
Yes

**If you do not support the proposal, please give your reasons together with any changes or alternatives that you would like to suggest.**

**Do you agree with the proposal to convert Fairwater Specialist Resource Base, Glan yr Afon Revolving Door Class and Springwood Nurture class to Early Intervention Classes?**
No

**If you do not support the proposal, please give your reasons together with any changes or alternatives that you would like to suggest.**
I do not believe that it is a good idea to mix together pupils who are not coping in a mainstream class due to issues with behaviour, speech and language, communication. The pupils who have been referred to the Nurture class, were referred because their placement in the mainstream school had broken down. When this happens negative behaviours tend to be displayed, the atmosphere within the group is very fragile and can be stressful. I would suggest that this is not appropriate for pupils who are quiet and withdrawn due to communication and possibly Nurture/attachment issues. I also think that the EIC classes need to have a set age range that each EIC accepts. The needs of Ks2 pupils is very different to FP, the staff will need to have different skill sets, I think we are expecting too much of the staff.

**Do you agree with the proposal to open four additional Early Intervention Classes (subject to further consultation with named schools)**
No

**If you do not support the proposal, please give your reasons together with any changes or alternatives that you would like to suggest.**
I would not like one of these classes at Springwood. As stated previously I think it is fundamentally wrong to put these children together in one class, and label it as an EIC and not a behaviour class. Currently there is not enough support in the system for pupils who are displaying negative behaviours and I do not agree with the assumption that most of these behaviour issues are linked directly to speech and language difficulties, it is far more complex than that.

GIG CYMRU NHS WALES | Bwrdd Iechyd Prifysgol Caerdydd a'r Fro
Cardiff and Vale University Health Board

**Children's Speech & Language Therapy**
**Therapi Iath a Lleferydd Plant**

Riverside Health Centre
Wellington Street
Canton
Cardiff
CF11 9SH
Phone 029 2090 7645

Canolfan Iechyd Glanyrafon
Stryd Wellington
Treganna
Caerdydd
CF11 9SH
Ffôn 029 2090 7645

Date: 1st April 2016

Please find below, comments regarding the *Consultation Document 2016: Specialist Provision for Primary Aged Pupils with Speech and Language Difficulties and with Behavioural Emotional and Social Difficulties.* This is a team response from Cardiff & Vale UHB Children's Speech and Language Therapy Service:

**1. Cardiff and Vale UHB SLT Service to local primary and high schools:**

Cardiff and Vale UHB Children's Speech and Language Therapy Service has developed a very positive collaborative working relationship with Cardiff LEA in recent years, and as a result there have been many joint initiatives and projects including setting up a mainstream speech and language therapy service to local primary and high schools. This was set up in response to:

- Guidance from RCSLT that all school aged children with SLCN should be offered speech and language therapy in school (RCSLT Clinical Guidelines)
- Feedback from parents and schools that they would prefer services delivered in school
- A need to provide equity for children requiring Speech and Language Therapy in different educational environments
- Concerns raised by SLTs, schools and other health professionals about children who had a recurring discharge and re-referral pattern due to non-attendance.

We have a number of concerns about the Consultation Document's references to the Cardiff and Vale UHB Children's SLT Service and in particular the pilot project to deliver services to local primary and high schools for all children with SLCN. These are:

- The SLT mainstream school service was not set up to replace specialist provisions for children with severe SLCN.
- This is currently a pilot project. It has not been evaluated and therefore no conclusion has been reached on the future of this aspect of the Children's Speech and Language Therapy Service. Whilst the project has been well received in most schools and by most parents, there have been some challenges including: concerns around consent, increased travel costs and a reduction in the number of children that staff can be seen in a day.

As a team, we are concerned that information has been included in the document and comments made in the press regarding the way in which our Speech and Language Therapy Service is running at present. This was included without

discussion or consultation with anyone from Cardiff & Vale UHB Children's Speech and Language Therapy Service;

**2. Clinical risks of the proposals for children with severe, specific speech and language difficulties**

We acknowledge that there has been a fall in demand for places in Meadowbank and Allensbank in recent years as a result of parental choice and an improvement in the capacity of local schools to deliver speech and language interventions. However if these proposals are implemented, there will be no specialist provision for children with severe and complex speech and language difficulties in Cardiff. Whilst we agree that many children with speech and language difficulties can be managed within mainstream school settings we have significant concerns that there will be no specific and specialist provision for:

- the small percentage of children that require short-term, specialist, intensive speech and/or language intervention in the Early Years. The proposals laid out in the consultation document that describe the Early Intervention Classes (8a, 8b, 8c, 8d) sound like a suitable proposal for managing many different needs, however they do not appear to include the needs of children with severe specific speech and language difficulties. It is unclear in the document what the difference is between the current 'nurture classes' and the proposal for the 'Early Intervention Classes'. Early intervention is the key to positive outcomes for children with speech and language difficulties.

- those children that 'fail' within their local school despite a high level of support both within the classroom and from external specialist services such as SLT and the SLCD specialist teacher team.. These children are extremely vulnerable to mental health difficulties and at risk of exclusion.

Research shows that children with significant language impairment are at a high risk of behavioural difficulties (*Tomblin, Zhang, Buckwalter & Catts, 2000; Carson et al, 1998*), mental health problems (*'Let's Talk About It' – The Communication Trust, 2011*) and of becoming offenders in adolescence and adulthood (*Tomblin, 2000; Bryan, 2004*). Self esteem, emotional health and wellbeing are impacted upon significantly and often have the consequence of affecting social acceptance *(Botting & Conti-Ramsden, 2000)*

**3. The capacity of local schools to deliver specialist interventions**

The SLTs who deliver services to children with SLCN in their local schools have identified a number of concerns around the capacity of mainstream schools to deliver highly specialised interventions to the most needy children (service level 5):

- Mainstream staff have significant difficulties implementing a specialist strategy or approach within a busy mainstream class of 30 pupils
- It is often not possible for schools to allocate a named member of staff to work with the Speech and Language Therapist and the child between the Speech and Language Therapist's visits.

- There are significant gaps in the knowledge of mainstream school staff to support these children with the most significant levels of need..

If the proposal to close Meadowbank School and re-classify Allensbank SRB proceeds, there will be a number of teachers and support staff with significant knowledge and experience of supporting children with severe communication difficulties available to help with these challenges.

**4. Measuring outcomes**

The document suggests that the Local Authority and schools are relying very heavily on the use of *Speech Link* and *Language Link* to measure outcomes for children with SLCN. Whilst these outcome measures are undoubtedly useful for many children with mild and moderate SLCN, we would urge a note of caution. It should be noted that *Language Link* and *Speech Link* are screening tools only. They do not provide a comprehensive language or speech sound assessment. In particular, *Language Link* screens a limited range of comprehension skills and it does not address expressive language skills at all. *Language Link* is not a reliable outcome measure for children with severe and complex language difficulties.

**5. Redesignation of Allensbank SRB as an ASD provision**

We acknowledge that there is an increased demand for specialist educational placements for those children with ASD. However, our current experience of working in Allensbank Primary School and SRB raises some concerns about being able to create a suitable environment for children with ASD. For example, having enough suitable space to create 'quiet' or 'sensory' areas, when space is already at a premium in the school.

Cardiff & Vale UHB Children's Speech & Language Therapy Team

ROYAL COLLEGE OF SPEECH & LANGUAGE THERAPISTS

**RCSLT Response to 21st Century Schools Consultation Document 2016 – Specialist Provision for Primary Aged Pupils with Speech and Language Difficulties and with Behavioural, Emotional and Social Difficulties**

The Royal College of Speech and Language Therapists (RCSLT) is the professional body for speech and language therapists (SLTs), SLT students and support workers working in the UK. The RCSLT has 15,000 members (450 in Wales) including around 88% of SLTs working in the UK. We promote excellence in practice and influence health, education, care and justice policies.

Approximately 70% of SLTs registered in the UK work with children. It is estimated that approximately 6-8% of children aged between 0-11 years have speech, language and communication needs. The prevalence for children with severe and complex needs may be a further 1%.

In a key position paper on 'Supporting children with speech, language and communication needs within integrated children's services' RCSLT set out its view that there should be a focus on inclusion of children with special (or additional) needs in mainstream settings but that this should be balanced with a requirement for specialist services to be delivered flexibly in order to enable inclusion. Vulnerable children and those with additional needs form part of the population of 'all children'. In an inclusive society, specialist and targeted services for these children should be integral to universal mainstream provision. The integration of education, health and social care for children means they should be able to access all the services they require – whether universal, targeted or specialist, flexibly and locally wherever possible.[1] In this response, RCSLT would wish to stress the need to ensure that children with speech language and communication difficulties in Cardiff receive the service that they need, which includes the availability of adequate specialist places within a given area.

We are aware that a great deal of positive work has been undertaken across Wales in recent years with regard to inclusive primary schools and specialist resource bases. RCSLT would wish to see the availability of specialist resource bases with the philosophy of short-term intensive support with the outcome of returning to mainstream education. We would be happy to provide further examples if required.

[1] Gasgoigne, M (2006). *Supporting children with speech, language and communication needs within integrated children's services. RCSLT:London.*

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**Cardiff Council 21st Century Schools Consultation Document 2016 Consultation on specialist provision for primary aged pupils with Speech and Language Difficulties and with Behavioural, Emotional and Social Difficulties.**

**Consultation response form**

Your name: **Zein Pereira**
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Date: 5 April 2016

This response concerns the Cardiff Local Authority proposals to close all specialist speech and language provisions as part of the consultation on Specialist Provision for Primary Aged Pupils with Speech and Language Difficulties and with Behavioural Emotional and Social Difficulties.

Our response is based on careful consideration of the consultation document and parental feedback received during face-to-face meetings and through questionnaires and written submissions in relation to this consultation. It is organised under ten key objections. In addition, Afasic Cymru will submit consultation responses from children and young people with speech and language needs.

These proposals seek to remove all speech and language specialist provision for children with severe speech and language needs in Cardiff by 2018. Afasic Cymru strongly opposes the proposed closure of Meadowbank Special School and the proposed change of remit of Allensbank School specialist resource base.

**Key objections**

1. **These proposals contradict the principles set out by the Cardiff Council Additional Learning Needs (ALN) Strategy** set out in 21st century schools consultation document 2016, page 9.
   In particular:
   - 'All children should have access to an appropriate education that affords them the opportunity to achieve their personal potential.'
   - 'Special Schools should function as Centres of Excellence'
   - 'The interests of all pupils must be safeguarded.'

2. **The proposals appear to suggest that children with severe and persisting speech and language difficulties do not benefit from or need specialist provision** and therefore LA resources will no longer be organised and invested in this way for children with these needs.

   However, the Local Authority appears to recognise the value of a graduated approach that includes specialist provisions in their consideration of meeting the range of needs of children with ASD.

   Children with severe speech and language difficulties also require access to a comparable spectrum of provision as part of the LA graduated response. These proposals deny this population of children access to a specialist placement that would deliver an "appropriate education that affords them the opportunity to achieve their personal potential," as stated above. Afasic Cymru is concerned that these proposals show a lack of understanding of the complexity and impact of these needs and could appear to be discriminatory.

There is plenty of evidence to show that children with severe and persisting speech and language needs do benefit from a specialist provision and that these benefits extend into all aspects of a child's life. Parental reports of outcomes in Meadowbank include accelerated progress and the building of confidence and skills to enable future achievement and attainment. There is also documented evidence of the benefits for children in specialist provisions as part of their annual review paperwork that will include professional assessment of levels of achievement.

Parents of children with severe speech and language needs, past and present, report that in spite of best efforts, the available support in mainstream was ineffective and their children began to thrive once they were placed in a specialised provision. Parents report 'fighting' for the right provision to meet their child's needs and we are concerned that this may worsen under these proposals.

From the consultation document, a placement at Meadowbank costs approximately £25,000 per year whereas a place in local primary school is approximately £3,600. This figure of £3,600 does not appear to take account of the variable costs of effective additional support and the costs incurred if support is not provided. Please follow the link to our Cost to the Nation poster http://www.afasiccymru.org.uk/new-bilingual-poster/ for information about the essential nature of speech and language skills for life and work and the cost of untreated needs to the individual, the family and the nation.

Indeed it may cost considerably more for an out of county placement at a specialist speech and language provision in a neighbouring authority or even a residential place for example, at an ICAN school in England. We are concerned that these proposals may increase the likelihood of appeals to Tribunal. This would be extremely stressful and potentially costly for families as well as the Local Authority.

3. **The proposals do not offer a full and fair picture of evidence.**
The LA asserts that:
i) Parents of children with severe speech and language needs are making a fully informed choice about placement options.
Parents repeatedly tell us that the option of a specialist speech and language provision was and is not being properly mentioned as a part of the process of assessment and provision. Parents say that specialist provisions are kept "hush hush."

An example from a parent: "I have not been made aware of the full range of options available to me, despite the Consultation document claiming that parents are opting for mainstream. This is not my experience of parental choice.....I feel very strongly that the central claim of the Consultation document does not reflect the true experience of parents that are confused and frightened at a very emotional time for them."

Parent example 2: "Doesn't get enough s.a.l.t. (speech and language therapy) not sure if mainstream school is best for him, been told no room in special needs school."

Parent example 3: "Mainstream didn't believe that my child had a SLC (speech, language and communication) difficulty. It took 7 years of asking for them to listen."

This is very concerning and contradicts one of the LA's core assertions that the falling rolls are due to parental choice.

The apparent 'trend' in parental preference does not appear to have been fully discussed with the specialist provisions in the years prior to these proposals. This is also very concerning and may be construed as a deliberate policy to undermine the demand for specialist placements.

Feedback from speech and language schools in England does not uphold this apparently abrupt 'trend', for example Moorhouse, a specialist speech and language school, report being "inundated with requests from across England for placements at Key Stage 2."

ii) The outcomes of children with speech and language needs in mainstream are good.

The proposals state that 'outcomes for children with speech and language difficulties in mainstream are good'. This statement is too vague and further information is essential.

- What evidence underpins this broad statement?
- Does this refer to Foundation Phase *and* Key Stage 2?
- Do all the children referred to by this statement have severe and persisting speech and language needs?
- Does this statement include children with transitory speech and language delay?
- Have the children referred to by this statement received specialist provision?

- Why haven't the outcomes for the specialist provisions been included in this picture?

4. **The proposals wrongly suggest that a specialist placement is incompatible with inclusion.**

Parents tell us that they want their children to "thrive not just cope."

The Welsh Government guidance document, Inclusion and Pupil Support, points out that "mainstream education is not always right for every child or young person all of the time but if mainstream education is not right at a particular stage this should not prevent the child or young person from being included successfully at a later stage." (page 2, 1.1.1)

Parents tell us that timely access to specialist provisions like Meadowbank enable inclusion for children with severe needs who could not manage in mainstream.

Specialist provisions like Meadowbank do this through the carefully tailored and intensive specialist support and development of skills and strategies needed to participate fully. Children do transition successfully from Meadowbank to their local mainstream schools. Through this process and as part of the approach by the now closed Dayclass, mainstream schools can be supported to include children with speech and language needs.

Parent example 4: "He came straight into Reception and improved so much that by Y3 he was in mainstream. His speech is excellent now. I don't think potential parents are told about Meadowbank, but well-targeted early intervention meant my son thrived when he eventually entered mainstream. Put simply, Meadowbank taught him to speak and changed his life."

Parents need support and information to make fully informed choices. The Welsh Government guidance document, Inclusion and Pupil Support, highlights the importance of working supportively and in partnership with parents/carers and the children and young people themselves.

As part of a LA parent consultation in January 2012, parents highlighted that inclusion is part of school life in the specialist provisions.

If the LA promoted a culture of partnership working between special schools and mainstream schools, easy access to the expertise of special school staff would enable the pro-active consideration of a specialist provision in true partnership with parents at an early stage rather than waiting until a child has failed and/or viewed as compromising the efficient education of other children.

Parent example 5:
"The (mainstream) school decided that my son was a distraction that they could not handle... segregated to the point where he was not allowed to partake in assemblies, lunch or school trips...It eventually resulted in my son only being allowed into school for two hours in the mornings and being sent home with work for me to teach him. This continued for two years.... my son still could not speak..... My son was then referred to (name of a Specialist Resource Base) for six weeks which was a wholly disheartening and scary experience for both myself and my son as it was a completely inappropriate setting for his needs. Throughout this whole time I was attending over forty meetings with various members of the medical and teaching profession in regards to my son's situation and not once was Meadowbank offered as an option"..... I am happy to inform you that my son can now communicate with myself and others. He has learnt that he is not stupid or incapable and he has the confidence to sing on stage with his school mates and not feel ostracised. He can tackle reading and maths and is learning that he is deserving of friendship and understanding. He can enjoy school trips and is allowed to eat lunch with others. He is made to feel welcome and can feel proud to wear his school uniform. This is largely because of the amazing work of the staff in Meadowbank. The facilities and support they provide is something that I know cannot be replaced anywhere else."

5. **The proposals are vague and do not offer parents an alternative but equivalent effective learning environment** with an equivalent extent and intensity of specialist support.

Meadowbank offers small class sizes, specialist teachers delivering the curriculum and a signing environment. Teachers, teaching assistants and speech and language therapists meet to plan their interventions together every week so that support is effectively joined up. The speech and language therapists are on-site to offer advice and support progress at a class and whole school level as well as direct therapy with the children. Parents report that the specialist staff know the children well and are able to take the time to listen and understand.

Strategies for supporting independence are embedded into everyday activities by a range of specialist staff across the whole school.

Current parents credit the specialist speech and language provision with enormous and transformative benefits including:

- Changing their child's life,
- Increasing the pace of progress, achievement and attainment,
- Improving children's self-belief and
- Helping the whole family to understand and communicate with their child.

Parents make a clear connection between appropriate specialist support and improved well-being and this is reflected in the research literature about severe speech and language needs.

Support in mainstream for severe speech and language needs in Cardiff does not offer the equivalent extent and intensity of support as a specialist placement, even at Stage 5 of the graduated response. Mainstream teachers do not have the same level of expertise. There are weekly visits from specialists in six week blocks and a child may be offered a programme with a one to one support worker.

The differences in type and extent of support for severe speech and language needs between mainstream and specialist provision needs to clearly communicated to parents early on in the process of support.

If a child's needs cannot be met within a mainstream model, what alternatives is the LA offering as part of these proposals?

If a child has a profile with additional diagnoses that require a range of specialisms, the proposals suggest a placement at a special school that caters for children with global learning disabilities like Riverbank School, ASD like the Hollies School, a behaviour support SRB or in a nurture class.

However a child with a more specific profile of severe, persisting speech and language difficulties, who is unable to thrive in mainstream, will not have their needs addressed appropriately under these proposals. The specialist provisions mentioned above do not have the appropriate focus, specialist expertise and more intensive speech and language therapy.

Parent example 6: "(My child) was in a SRB (Specialist Resource Base) which did not meet his needs. The staff were inexperienced and were not trained to educate a child with my child's difficulties. He started to become behavioural.

His behaviour problems stopped when he started Meadowbank. Meadowbank has changed my son's life for the better. He could not express himself or answer simple questions before he went there."

The long term implications of poorly supported speech and language needs on educational attainments, mental health, employability and offending behaviours are evident in the research literature and in documents such as A Generation Adrift by The Communication Trust. To enable the best possible outcomes, it is important that the invisibility, impact and extent of this disability are properly understood and prioritised.

6. **These proposals do not acknowledge the gaps in knowledge and skills and lack of capacity in mainstream** to support severe speech and language needs.

Afasic Cymru remains concerned about the capacity in mainstream to meet the needs of children with severe speech and language needs.

Speech and language needs may impact on learning, literacy, overall achievement, play, social and emotional skills. As far as we are aware, all mainstream teachers across the Foundation Phase and Key Stage 2 are not routinely trained in specialised strategies for speech and language needs.

Head teachers have told us that their class teachers do not all feel equipped to teach children with severe speech and language needs. Mainstream speech and language programmes are usually delivered by teaching assistants, but this can be difficult in Key Stage 2 due to staffing pressures. For example, one school highlighted that there is only one teaching assistant to cover 110 children.
Comments from head teachers include:

- "Better (outcomes) in Foundation phase due to one to ones. Not enough TAs in key stage 2 to make much impact."
- "Higher burden on TAs in Key Stage 2, fewer TAs to share workload, less knowledge and understanding of development needs by teachers in Key Stage 2."
- "We feel that having a specialist provision is essential for speech and language and that our children will suffer without it. Early support is vital to preventing longer term learning delay."
- "We do not have the SEN resources to support these pupils as much as they need. We are delivering Speech Link sessions but do not feel fully equipped to do so as well as needed."

- "School staff are not able to provide a high level of speech and language therapy for children with significant difficulty in these areas."

It is helpful for children with speech and language needs that can be met in mainstream, to be in a school that adopts a whole school approach to speech and language with training for all staff updated on a regular basis offering best practice universal strategies. Having one or two members of staff trained to level 2 or 3 through an Elklan course, is also a positive resource for a school but does not ensure specialist teaching for severe speech and language needs throughout the school.

Head teachers have told us that training and capacity building in mainstream has had mixed success. Comments include:

- "TAs (Teaching Assistants) do not have the expertise that exists in special schools."
- "Training is useful as an additional support to specialist speech therapy but instead is increasingly being used to replace specialist support."

Parents argue that prior to receiving a Statement of Educational Need for Meadowbank, support received in mainstream was inadequate and often over-reliant on teaching assistant support. Parents argue that their children need to be taught by teachers who are aware of and have the expertise necessary to teach children with these severe needs. They fear that the specialist approaches that their children need will be diluted and lost.

Parent example 7: "J struggled to understand the teaching was disengaged and could not follow instructions from the teacher. J had one to one support from the age of 2.5 due to his behaviour and little communication skills. Mainstream upset him so much he was taken kicking and screaming most mornings. Every child deserves an opportunity to succeed and be happy in life. It is so hard not to be heard or understood. Mainstream does not have the facilities or support network to assist those who need it. (a 1 to 1 worker was not enough to meet my sons needs and the sign language offered was sporadic at best). Meadowbank is much more than a school it offers support both emotionally and educationally to children and their families."

Parent example 8: "My son struggled in mainstream as he had very poor language skills. He found it hard to communicate with other children. He had one excellent 1-2-1 assistant who undertook relevant training to help him

develop his language skills, the others weren't properly skilled to deal with his poor language skills. Had to fight for adequate 1-2-1 support but it wasn't going to help him long term with his education as he needed specialist intervention. He would not be the happy confident boy he is today had he stayed in mainstream and he wouldn't have the good friendships that he has in Meadowbank either as he really struggled with making friends before going here. Specialist intervention at an early age is so important so why remove such a provision?"

Parent example 9: "My two children attended Meadowbank. They had one to one support (in mainstream) but still struggled with speech as staff weren't experienced in this area. Meadowbank has been a great support for my children behaviour and emotional needs. They provide a good caring environment and they come on well with school work."

7. **These proposals do not mention an increase in capacity in the number of specialist staff** based in the achievement and inclusion team to support severe speech and language needs across the city.

   The reported specialist teacher staffing levels appear to be inadequate to enable an approach that consistently supports severe speech and language needs effectively as part of these proposals. What will be the size of caseload for each specialist teacher?

8. **The proposals do not include a strategy to retain the skills of the specialist staff at Meadowbank and Allensbank** so that they may continue to support children with severe speech and language needs.

   Staff have been issued with redundancy notices and this appears premature in light of a yet to be completed consultation process. The proposals show no regard for the importance of the specialism and no strategic planning to utilise staff knowledge and skills as far as possible for the benefit of children with severe speech and language needs. This does not inspire parents with confidence about the capacity of the LA to meet the needs of children with severe speech and language needs as part of these proposals.

9. **The proposals do not include how speech and language therapy will be offered as part of these proposed changes**.

   Parents are concerned about the intensity and specialism of speech and language therapy in a mainstream setting. Arrangements for

specialist, school-based speech and language therapy have not been clarified for children with severe and persisting speech and language needs. There is also no information about what the specialist speech and language therapy input would be to Early Intervention Classes.
The proposals promote the recent mainstream based speech and language therapy service, highlighting its advantages in terms of time and attendance at appointments. However, parents tell us that speech and language therapy in mainstream can be fragmented, not always specialist or collaborative and largely delegated. Even though the community service is based in mainstream schools, speech and language therapists, teachers and teaching assistants do not have the time and opportunity to meet together to plan and deliver carefully tailored activities on a weekly basis.

10. **The proposals do not include a clear look at possible alternatives** that may retain and develop the range of specialist provision for severe, persisting speech and language needs in Cardiff.

Retaining, growing and developing a specialist provision as a centre for excellence for the benefit of all children with severe and persisting speech and language needs in Cardiff does not appear to have been considered by these proposals. This is surprising as the Welsh Government identifies the value of utilising the expertise in special schools as centres of excellence.

Early and appropriate specialist intervention requires the pro-active consideration of a specialist provision in true partnership with parents at an early stage rather than waiting until a child has failed and/or is viewed in negative terms as compromising the efficient education of other children. Waiting until a child has failed is not inclusion. Feedback from parents in an LA speech and language consultation in 2012 and in connection with this consultation has highlighted how included their children feel when they are receiving the right specialist support in the right environment.

The development of specialist speech and language provisions could include re-introducing dual placements with a combination of full time and part time places, with short, medium or longer term admissions as appropriate according to a child's needs.

Afasic Cymru hopes that the Council will listen carefully to the parents, children and specialist staff who contribute to this consultation, and replace the proposal for closure with a strategic and comprehensive

plan to secure the current and long term future of specialist provisions for specific severe speech and language needs in Cardiff.

**We do wish to be notified of publication of the consultation report.**

**References**

Cost to the Nation
http://www.afasiccymru.org.uk/new-bilingual-poster/

Generation Adrift
https://www.thecommunicationtrust.org.uk/resources/resources/resources-for-practitioners/a-generation-adrift.aspx

SLI handbook:
http://www.afasic.org.uk/recognising-a-problem/useful-reading/ click on sample pages

Welsh Government Inclusion and Pupil Support guidance document
http://gov.wales/docs/dcells/publications/160318-inclusion-and-pupil-support-en.pdf

Meri Huws
Comisiynydd y Gymraeg
Welsh Language Commissioner



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11/03/2016

**21st Century Schools, Consultation Document 2016: Consultation on Specialist Provision for Primary Aged Pupils with Speech and Language Difficulties and with Behavioural Emotional and Social Difficulties (Wales)**

Thank you for this opportunity to provide our comments on the above document. The Welsh Language Commissioner's comments, and the issues which Cardiff County Council may wish to address as it develops the document further, may be summarised as follows:

The document provides guidance on how the proposed changes to schools organization introduced in relation to specialist provision for pupils with special educational needs (SEN) in Cardiff, will ensure a Welsh medium provision for pupils. In addition, there is reference to the growing need for efficient and specialist provision that includes the Welsh language.

It shows that the increase in demand for places in a Special School or a Specialist Resource Base for primary age pupils with challenging behaviour has increased by 30 percent over the past two years. The document states that the new arrangements will be of benefit to SEN pupils who need specialist Welsh medium support.

- **Considering how fundamental language is to any additional learning provision that may be required by learners, we suggest that the changes to school organization must ensure that any internal or external support provided by the relevant agencies is available in Welsh.**

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Welsh Language
Commissioner

- **During the period of transition there is a possibility that the Specialist Resource Base will be operating mixed classes of pupils. During this period you should ensure that Welsh medium provision is available for pupils who need it and the language needs of learners are not therefore undermined.**

- **The document suggests that the proposed changes will be beneficial to the Welsh language with a Welsh medium intervention class provided in addition to the existing provision within the specialist resource bases. As part of this provision, a sufficient number of SEN staff who are able to provide support through the medium of Welsh should be ensured.**

- **You should ensure that you have an adequate supply of Welsh medium services in order to achieve the changes. In utilising external support from the Educational Psychology service and the Specialist Teachers Services who contribute to the assessments, providing support and advice, you should ensure that the information together with any support is available in Welsh for children and parents/carers.**

**Context**

The principal aim of the Welsh Language Commissioner is to promote and facilitate the use of Welsh. This entails raising awareness of the official status of the Welsh language in Wales and imposing standards on organizations. This, in turn, will lead to the establishment of rights for Welsh speakers.

Two principles underpin the Commissioner's work:

- In Wales, the Welsh language should be treated no less favourably than the English language;

- Persons in Wales should be able to live their lives through the medium of the Welsh language if they choose to do so.

Secondary legislation has introduced new powers allowing the setting and imposing of standards on organizations. At the same time, the Commissioner will continue to inspect statutory language schemes through the powers inherited under the Welsh Language Act 1993.

The role of Welsh Language Commissioner was created by the Welsh Language (Wales) Measure 2011. The Commissioner may investigate failure to implement a language scheme; interference with the freedom to use Welsh in Wales and, in future, complaints regarding the failure of organizations to meet standards.

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One of the Commissioner's strategic aims is to influence the consideration given to the Welsh language in terms of policy development. Comments are provided on policy in accordance with this remit and the Commissioner acts as an independent advocate on behalf of Welsh speakers in Wales who could be affected by this Bill. This approach is used to avoid any possible compromise of the Commissioner's functions in the area of regulation, and should the Commissioner wish to formally review the performance of individual bodies or the Welsh Government in accordance with the provisions of the Measure.

**The United Nations Convention on the Rights of the Child and the Rights of Children and Young Persons (Wales) Measure 2011**

The Rights of Children and Young Persons (Wales) Measure 2011 incorporates all the rights of the United Nations Convention on the Rights of the Child into Welsh domestic law. A number of the UNCRC articles refer specifically to language and freedom of expression.

Article 2 protects the child from suffering language discrimination and places a duty upon nations that are party to it to protect the child from all forms of discrimination. Articles 12 and 13 confer a right to freedom of expression for children and Article 30 gives a child who belongs to a minority the right to use his/her own language in a community with other members of his/her group.

**Considering how fundamental language is to any additional learning provision that may be required by learners, we suggest that the changes to school organization must ensure that any internal or external support provided by the relevant agencies is available in Welsh.**

**During the period of transition there is a possibility that the Specialist Resource Base will be operating mixed classes of pupils. During this period you should ensure that Welsh medium provision is available for pupils who need it and the language needs of learners are not therefore undermined.**

**Welsh Government Policy Aims in terms of the Welsh Language**

Strategic Aim 1 of the Welsh Government's Welsh-medium Education Strategy calls for an improvement in the planning of Welsh-medium provision in the pre-statutory and statutory phases of education, for learners with ALN. The Strategy notes that the aim of the Government in (SO1.5) is:

> *'To expect improved planning of Welsh-medium education provision and services for learners with additional learning needs (ALN) as an integral part of education provision at national, regional and local levels'.*

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In the Government's strategy for promoting and facilitating the use of Welsh in everyday life, 'A living language: a language for living', the following aims are outlined:

*'to increase the provision of Welsh-medium activities for children and young people and to increase their awareness of the value of the language; to increase and improve Welsh-language services to citizens'*

A number of children and young people with additional learning needs may be vulnerable, and ensuring that vulnerable people can access services in the language in which they feel most comfortable is an intrinsic part of good service provision and effective workforce planning. The relevant organizations must acknowledge that some people can only express their needs effectively through the medium of Welsh, and services have a duty to meet those needs:

**You should ensure that you have an adequate supply of Welsh medium services in order to achieve the changes. In utilising external support from the Educational Psychology service and the Specialist Teachers Services who contribute to the assessments, providing support and advice, you should ensure that the information together with any support is available in Welsh for children and parents/carers.**

**The importance of the document in Planning Welsh Medium Provision**

The document explains the impact of the changes to school organization and in particular the benefits to pupils with additional learning needs who need Welsh medium support. However, the document is not sufficiently specific in some aspects. We refer in particular to underlining the importance of gathering evidence not only of the demand from learners for Welsh medium services but also in terms of the Welsh language skills of staff who will be providing the whole range of services under the banner of additional learning needs.

It is fair to say that not enough primary evidence has been gathered in terms of the number of pupils with specialist or additional learning needs and the adequacy of the support available in Welsh. Without this information, it is unclear how Welsh medium provision will be ensured for every child who needs it. There is reference to the need to use the Educational Psychology services and wider specialist support in the provision of additional support for pupils. Once again, there are no specific guidelines on how to provide for pupils who need this provision through the medium of Welsh:

**The document suggests that the proposed changes will be beneficial to the Welsh language with a Welsh medium intervention class provided in addition to the existing provision within the specialist resource bases. As part of this provision, a sufficient number of SEN staff who are able to provide support through the medium of Welsh should be ensured.**

**Closing remarks**

There is an attempt in this document to provide specifically for the Welsh language in planning the reorganization of schools introduced in relation to specialist provision for

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pupils with special learning needs in Cardiff. The proposed changes acknowledge the importance of language to pupils and go as far as to say that the new arrangements will be beneficial to SEN pupils who need Welsh medium specialist support. However, you must also consider how these changes are to be achieved when looking in greater detail at the workforce planning in the context of the Welsh language.

Yours sincerely,

Meri Huws

**Meri Huws**
Welsh Language Commissioner

MB16/241

Social Services Directorate collaborative response

**Do you support the proposal to address the fall in demand for speech and language special school places by closing Meadowbank Special School?**
Yes. Social services would support the inclusion of children and young people within their local communities, receiving educational, social and community support as close to home as possible.

**Do you agree with the proposal to respond to the fall in demand for places at Allensbank SRB by redeveloping this as a Specialist Resource Base for children with Autism Spectrum Conditions?**
Yes. From previous lesson's learned, it would be beneficial to consider the learning and support needs of the school as part of the change of delivery proposal. There may been a need for staff to consider the potential changes to their roles and delivery methods due to the change in needs of young people. Social services would support a holistic approach to working in partnership in meeting the needs of these young people. NB - the school is listed as a Red rated school. Does this change in function address the measures required to improve delivery? If not what additional measures are being put in place to improve the school and what impact will this have in the provision of support for young people with ASC?

**Do you agree with the proposal to convert Fairwater Specialist Resource Base, Glan yr Afon Revolving Door Class and Springwood Nurture class to Early Intervention Classes?**
Yes. This proposal supports the Social Services early intervention and prevention agenda, and it is pleasing to note the reference to Team Around the Family in the proposals for thoss young people where this may be required. It is essential that those young people who are identified early as needing additional support from and early intervention class are offered an early assessment of need, preferably using the JAFF assessment and TAF approach adopted through Cardiff's Early Help Strategy. Please liaise with Ceri George to explore further how this can be integrated from the outset to ensure a holistic approach to early help.

**Do you agree with the proposal to open four additional Early Intervention Classes (subject to further consultation with named schools)**
Yes. In addition to the comments in Q8, how will proposals for those identified for Early Intervention classess, support families and young people in need to access support via the Information, Advice and Assistance services. Processes and relationships need to be considered and developed to ensure synergy between identification of need, and wider sources of support that can work in partnership with education services to provide an holistic early intervention approach to meeting the needs of vulnerable children and young people.

MB16/15

**Phillips, Joanna**

**From:** Chaundy, Paul (Cllr)
**Sent:** 20 March 2016 20:19
**To:** School Responses
**Cc:** Merry, Sarah (Cllr)
**Subject:** Consultation Specialist Provision for Primary Aged Pupils with Speech and Language Difficulties and with Behavioural Emotional and Social Difficulties

Dear All,
I understand the consultation for this closes 23 March 2016, I would dearly hope the following might be included please.

**Specialist Provision for Primary Aged Pupils with Speech and Language Difficulties and with Behavioural Emotional and Social Difficulties**

I would like to submit two following points in relation to these proposals:

1. Can you confirm that there will be sufficient places for pupils at 'special schools' with a particular learning profile for example those needing sign language, deaf-blind-born pupils, pupils with blindness and significant learning disabilities as well as difficulties with severe language impairment.

2. You state that demand for Specialist Resource Base (SRB) places are actually increasing in number, can the specialist and essential support for these pupils for the future be 'secure' given the financial constraints to and cuts to budgets for education currently taking place.

Thank you!

Yours sincerely,

Paul Chaundy (Cllr)

MB16/71

**Phillips, Joanna**

**From:** Martin, Alex
**Sent:** 06 April 2016 09:34
**To:** School Responses
**Cc:** Cowan, Jayne (Cllr)
**Subject:** Message from Cllr Cowan re: Meadowbank Special School

Dear sir/madam

I would like to put on record my huge concern about the prospect of Meadowbank Special School closing.

As a former teacher and current chairman of a special school, I know the importance of specialist provision.

I hope the Cabinet will reflect and allow this school to thrive and prosper. It is essential that the school is well promoted and all parents in Cardiff know that this facility is available.

Thousands of names have been submitted on a petition and many letters have been passed to the Council.

I hope this school is saved for the current pupils and future pupils needing this specialist provision.

Kind regards

Jayne.

**Jayne L Cowan**
**CITY AND COUNTY OF CARDIFF COUNCILLOR FOR RHIWBINA**

MB16/68

**Phillips, Joanna**

| | |
|---|---|
| **From:** | Boyle, Joe (Cllr) |
| **Sent:** | 05 April 2016 18:22 |
| **To:** | School Responses |
| **Cc:** | 110 - E-Mail All Liberal Democrats; Eluned Parrott lib/dem (elunedp@hotmail.co.uk) |
| **Subject:** | Liberal Democrat response to SLD consultation |
| **Attachments:** | SLD consultation Lib Dem group response.docx |

Please find attached a document containing the formal response of the Liberal Democrat group to the consultation on specialist provision for primary aged pupils with speech and language difficulties and with behavioural emotional and social difficulties.

In relation to the four questions, our headlines responses are as follows; the attached document provides detailed explanation:

1. Do you support the proposal to address the fall in demand for speech and language special school places by closing Meadowbank Special School?
**No**

2. Do you agree with the proposal to respond to the fall in demand for places at Allensbank SRB by redeveloping this as a Specialist Resource Base for children with Autism Spectrum Conditions?
**Yes**

3. Do you agree with the proposal to convert Fairwater Specialist Resource Base, Glan yr Afon Revolving Door Class and Springwood Nurture Class to Early Intervention Classes?
**No**

4. Do you agree with the proposal to open four additional Early Intervention Classes (subject to further consultation with named schools).
**No**

Regards,

Joe Boyle
Councillor – Penylan
029 2046 2187

**Response to the proposals to close Meadowbank School**

We contest the claim in the consultation that there is a 'falling demand for speech and language places.' All the evidence shows that the diagnosis of speech and language disorders among children is rising and that an increasing number of families are seeking solutions.

The figures that relate to demand for Meadowbank can be interpreted in a variety of ways and even manipulated to paint a narrative that fits the needs of the local authority rather than the needs of the children. The drop in numbers attending Meadnowbank could be for a variety of reasons, not least a failure by the local authority to publicise the provision there adequately or specify it within statements of SEN.

As councillors, we have received powerful testimony from families who, in one breath, stress the importance of Meadowbank while, in the next, confirm that they were unaware of the provision until hearing about it through word of mouth. How many children who could benefit from the provision there are missing out because of a lack of awareness among families? There may well be a national trend towards more inclusive practice but that is different from concluding that inclusive education is the only model and that we should provide a one-size-fits-all solution. The drop in numbers is not, in and of itself, proof that such provision is unnecessary.

As we know, the Vale historically funded ten places. Therefore, in 2010-11, when the school had a full complement, 30 places would have been filled from within Cardiff. That has dropped to 23, which indicates that there remains a demonstrable need from within Cardiff. There is no firm proof that this number would not rise were the school's role better publicised and its rating (currently amber) improved. Indeed, once combined with the children in Allensbank, the school nears its full capacity.

Afasic, the charity for adults and children with specific language disorders, lists special Speech & Language schools across the UK. Their belief in the effectiveness of such provision (albeit through private institutions) provides expert endorsement of a special school model in the appropriate circumstances.

Current research regarding the benefit of special schools is also far less conclusive than the consultation might lead one to believe. The following findings from a recent paper to emerge from Cambridge University argues that special schools remain a valid part of the education mix:

> '... inclusion policy should not be one-size-fits-all or subject to heavy political correctness or financial influence, but rather be individual-oriented and needs-led. The findings suggest that especially for children with severe learning difficulties (SLD), special school provision still plays an important role in the current education system considering its pedagogy expertise, professional staff team, specialised resources, and curriculum flexibility. This paper therefore concludes that specialised educators from independent special schools for SLD children may tend to see special school provision as positively contributing to inclusive education, and should hence be regarded as an inseparable part of the current education system.'

- *Understanding Special School Provision for Children with Severe Learning Difficulties in Relation to Inclusive Education*, Xiao Qu (2015)

In fact, the consultation describes just how effective such specialist provision is when it states that '[T]he majority of pupils attending Meadowbank Special School and Allensbank SRB transfer to a local high school at Year 7 and many pupils make sufficient progress to transfer at an earlier stage.' This admission of success is justification for retaining this type provision rather than closing it.

As the Additional Learning Needs Strategy sets outs, '**all** children should have access to an **appropriate** education.' The success Meadowbank has with its pupils shows that this is the appropriate setting for them. There is insufficient evidence to prove that an alternative provision, such as an Early Intervention Class, would be appropriate. Maintaining a broad palette of provision is therefore the surest way of ensuring that all children access appropriate education.

The counter argument made in the consultation, that the school-based therapy service is sufficient, is not adequately evidenced and the historical data is inevitably lacking. Equally lacking is evidence relating to the success of early intervention and capacity building within Cardiff's mainstream schools. As with much of this consultation document, this is an assertion and not a proof. In making decisions of this seriousness, we would have expected greater rigour and it is disappointing that the effort to make the case is not supported with better evidence. The only evidence provided (5e and Table 4) refers to an improvement of 20 percentage points during the Reception year. What is this data based on? How many children are being referred to? Are those children diagnosed as having a specific language disorder? Children without a language disorder who come to school from a language impoverished household or with English as a second language may well make good progress through 'Speech Links' and 'Langauge Links' programmes. But evidence of these programmes' effectiveness with children who have more complex or neurological challenges must be provided if a satisfactory conclusion can be drawn. Table 4 (page 8) does not provide enough detail to make such judgements.

Once again, the consultation fails to provide this rigorous analysis and there is a justifiable anxiety that assertion and partial evidence is being used in place of evidence.

**Reponse to proposals in relation to Allensbank School**

Were the specialist provision to be maintained at Meadowbank, we are broadly supportive of the plans to convert Allensbank to an autism specialist resource base. It is clear from existing bases that the specialist support provided in them is well-suited to children with more high-functioning autism or Asperger's Syndrome.

**Response to proposals in relation to Early Intervention Classes**

Based on the consultation report, we are unconvinced that the plans are robust enough to progress and wecannot support their implementation at this stage

We have concerns about the following:

**Purpose of an EIC (paragraph 8a)**

The first bullet point of paragraph 8a covers a broad spectrum of conditions and children, some of whom may merit formal diagnosis but have not yet received one. It seems the height of folly for a child with a pervasive developmental disorder, not otherwise specified, to be thrown into close proximity with a child displaying severe emotional difficulties. The range of interventions and settings needed to deal with the two are likely to be different. There are no guarantees within the consultation to reassure us that the EICs will be able to provide an appropriate level of support and education.

The move towards specialist resource bases for autism and other conditions such as dyslexia is an acknowledgement that many conditions require specialist help and that a one-size-fits-all solution is not appropriate for children with these diagnoses. Such specialist provision is also surely necessary for other children presenting with complex conditions and behaviours, even if they do not currently have a formal diagnosis.

As the proposals for Allensbank state, 'care would be taken not to compromise the quality of support by placing pupils with **incompatible needs together**.' However, is this not precisely the risk that is being taken with the EICs?

The suggested benefits are illogical. The proposals, it is claimed, will 'reduce the number of transfers for children with speech and language difficulties, by ensuring every child can be effectively supported in mainstream education throughout their education.' However, by not having the option of Meadowbank, precisely what specialist support will they receive? Will local schools be expected to develop specialisms in dyspraxia, aphasia, selective mutism, semantic and pragmatic disorders, receptive language problems, PDD (NOS) and so on?

Will children who would merit a place at Meadowbank in fact now find themselves attending an EIC for three to four terms, before returning to their local school? This surely amounts to a 'transfer'. What then, if said child finds that the reintegration at their local school does not provide the necessary level of support? Will they be expected to transfer once more to an EIC for another three to four terms?

There appears to be an assumption that a speech and language disorder is something temporary or akin to a behavioural difficulty that can be ironed out over twelve months. This flies in the face of any credible research. SLDs are often pervasive developmental disorders that do not simply vanish.

**Processes (paragraph 8b)**

We believe the schools with the EICs, should these plans be pushed through, ought to have a say about which children they accept. We do not believe these decisions should be left to a panel of headteachers and professionals without the input of the headteacher of the EIC school or its governors. The consent of the hosting school must be received before children are admitted.

**Operation (paragraph 8d)**

For such a critical issue, we are surprised that the consultation does not go into more detail about how the EICs would work.

- What happens if, after four terms, integration to the local school is not deemed appropriate or the local school is unwilling to receive the child back?

- Who will manage the phased reintegration, the IDPs, the multi-disciplinary assessments, the liaison with psychology and specialist teacher services? The hosting school, the local school or the local authority?
- Where are the case studies to show how local schools would develop capacity to enable successful reintegration? What capacity would they be expected to develop? How would it be funded? What level of support would be required to ensure that the reintegrated child did not slip back?

Without detail about these issues, it is impossible to judge whether the plans offer a cogent and well-conceived strategy.

**Quality and Standards**

We question the decision to place EICs in Fairwater and Glan yr Afon considering their red status, a problem shared by Allensbank. At a time when these schools are clearly struggling with their mainstream operations, it is debatable whether it is wise to provide them with further burdens and leadership requirements.

In particular, we are mystified by the claim that, 'as the proposals are not proposing any changes in respect of mainstream education provision it is not anticipated that there will be any impact on the quality of standards.' The implication of this is that the EICs will be entirely detached from the operation of the mainstream school. It is hard to see how this can be true. If the children who attend an EIC are to feel a genuine part of their hosting school community, then housing such a class is a serious commitment for that school. It must, by necessity, affect leadership, the existing school staff and pupils and the wider school community. Were it not to, one would have to question why the EIC was being placed in a mainstream school in the first place. It might just as well be put in County Hall.

If the local authority did not anticipate any potential impact on standards, the consultation would not need to assert that 'careful planning will take place during the proposed period of change to avoid any risk of distraction or disruption.' In other words, there is a risk of distraction and disruption. However, there is no clarity at all about what the 'careful planning' referred to will entail, what additional funding or resources will be provided, what alterations to school buildings will be required. This lack of clarity is alarming.

Equally alarming is the fact that merely two potential disadvantages of the proposals are listed. Our response and the response from other consultees have demonstrated that the potential disadvantages are legion. It is hard to believe that this consultation has worked its way through officers, senior directors and a cabinet member with only these two mild disadvantages identified. Once again, the lack of rigour is alarming. For the Equality Impact Assessment then to blithely claim that the proposals would not adversely affect a particular group without any reference to the disability protected characteristic seems extraordinary. As a result, the proposals lack credibility.

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In particular, we are mystified by the claim that, 'as the proposals are not proposing any changes in respect of mainstream education provision it is not anticipated that there will be any impact on the quality of standards.' The implication of this is that the EICs will be entirely detached from the operation of the mainstream school. It is hard to see how this can be true. If the children who attend an EIC are to feel a genuine part of their hosting school community, then housing such a class is a serious commitment for that school. It must, by necessity, affect leadership, the existing school staff and pupils and the wider school community. Were it not to, one would have to question why the EIC was being placed in a mainstream school in the first place. It might just as well be put in County Hall.

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**Eluned Parrott**
Aelod Cynulliad dros
Ganol De Cymru
Assembly Member for
South Wales Central

Cynulliad Cenedlaethol Cymru
National Assembly for Wales

School Organisation Planning Team
Room 219
Cardiff Council
County Hall
Atlantic Wharf
Cardiff CF10 4UW

schoolresponses@cardiff.gov.uk

Ref: 137030/CW/Education

Date: 14th March 2016

MEADOWBANK SCHOOL

I am writing to express my concern at the proposed closure of Meadowbank School.

I understand officers have recommended its closure because there has been a significant decline in pupil numbers but I am also advised that not all parents are made aware of its existence and, if they had been, they would have elected for their children to receive the specialist services it provides.

I am, therefore, concerned that parents are not choosing to send their children to mainstream education but, rather, they are not being given the choice of an alternative.

10 years ago, the architect of the integration of special needs children into the mainstream education system published a damning report on how this ideal was failing to achieve its ambitions and how children can feel excluded if they are placed into a mainstream school. Apart from feeling socially isolated, such children can also easily fall victim to bullying.



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Eluned Parrott
Aelod Cynulliad dros
Ganol De Cymru
Assembly Member for
South Wales Central

Cynulliad Cenedlaethol Cymru
National Assembly for Wales

I recognise it is important that the Council continually reviews Cardiff's education provision to match school places to school demand but I am concerned that the stated demand for "inclusion" may be driven by financial considerations rather than pupils' needs.

I am also concerned that the need to match school places to school demand is already failing to meet the needs of mainstream children transferring from primary to secondary education and the proposal for a supported programme of reintegration of Meadowbank's current and future pupils to local mainstream school will be to the disadvantage of everyone concerned.

I believe that, as the only specialist speech and language school in Wales, which also receives funding from participating local authorities, should be maintained and that it would be counter-productive, both emotionally and financially, to force children to transfer to mainstream schools before they are able to learn the necessary communication skills to successfully integrate with their peers.

Yours sincerely,

ELUNED PARROTT AM
Welsh Liberal Democrat Assembly Member for South Wales Central



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MB16/59

**Phillips, Joanna**

**From:** Morgan, Julie (Assembly Member) <Julie.Morgan@assembly.wales>
**Sent:** 05 April 2016 14:10
**To:** School Responses
**Subject:** Meadowbank

Dear Sir/Madam,

I am writing in response to the proposal to change the arrangements for provision for children with speech and language difficulties and in particular, the proposal to close Meadowbank School in August 2017. I understand it is the only special school of its kind in Wales, which provides day education for primary aged pupils who have statements of special educational needs for their severe and specific speech, language and communication needs. I am aware that many parents of children attending the school are fighting to save the school from closure as they feel that mainstream education is not a suitable alternative for their children and I can understand why they are concerned.

I am aware that pupils will be offered a transfer to the specialist resource base at Allensbank Primary School or a supported programme of reintegration into their local mainstream school. However, Meadowbank is a centre of excellence, with very small classes, and specialist staff and this has been extremely helpful to the pupils, many of whom have improved their speech and language abilities and as a result they have been able to make friends and become more sociable, whilst this was not possible when they attended mainstream schools. Parents have told me how their children's lives have been transformed after a period in Meadowbank.

I am concerned at the loss of expertise which the closure of Meadowbank would entail. At a public meeting for parents recently, when this was raised, they were told that the teachers could be retrained or possibly redeployed but this seems an appalling waste of expertise, which will surely still be needed under the new system. I understand that speech and language problems are growing. Surely we must keep the expertise of Meadowbank staff in these circumstances.

The reason given for the recommendation by officers to close Meadowbank in August 2017 is what is described as "a significant decline in pupil numbers". However, I have heard that many parents describe the school as "Cardiff's best kept secret", as they feel it is not sufficiently publicised. Many paid for private sessions for their children with a speech and language therapist and only then learned from the private tutor about Meadowbank, while they had never before been told of the existence of the specialist school. They therefore feel that it is possible that there are still many other children who could benefit from such a facility, if they knew about it.

I have concerns that schools not specialising in speech and language therapy will not be able to meet the needs of the children. Please can the local authority rethink its proposals and find some way of enabling this school to continue its excellent work.

**Julie Morgan AC/AM**
**Aelod Cynulliad Gogledd Caerdydd**
**Assembly Member for Cardiff North**

Cynulliad Cenedlaethol Cymru / National Assembly for Wales
Bae Caerdydd / Cardiff Bay
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CF99 1NA

Swyddfa'r Cynulliad / Assembly Office: 0300 200 7143
Swyddfa'r Etholaeth / Constituency Office: 029 2061 4577

**www.juliemorgan.org**
**www.twitter.com/juliemorganLAB**
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Cynulliad Cenedlaethol Cymru
National Assembly for Wales

**Croesewir gohebiaeth yn Gymraeg neu Saesneg**
**We welcome correspondence in Welsh or English**

MB16/04

**Phillips, Joanna**

**From:** WILLIAMS, Craig <craig.williams.mp@parliament.uk>
**Sent:** 07 March 2016 11:57
**To:** School Responses
**Subject:** Specialist provision for Primary Aged Pupils with Speech and Language Difficulties and with Behavioural Emotional and Social Difficulties.

My Ref: CW/AR/Meadowbank

Dear Sir/Madam,

Re 21st Century Schools: Specialist provision for Primary Aged Pupils with Speech and Language Difficulties and with Behavioural Emotional and Social Difficulties.

I have been contacted by several constituents in relation to the above consultation. They have highlighted to me that the consultation proposes the closure of Meadowbank school and have asked me to support their opposition to its closure, which I am happy to do.

I am concerned that much of the justification for the closure of Meadowbank school appears to be falling rolls. A number of those who contacted me emphasised how the provision at Meadowbank offered what could not be offered in mainstream school (including those with SRB provision) and highlighted how their children have developed successfully due to attendance at Meadowbank.

All who contacted me made the point that in their view Meadowbank was not promoted by the LEA as an alternative to mainstream options and that in some cases it was just by chance that they were made aware of it. They feel that this has exacerbate the issue with falling rolls.

In view of the comments I have received I would be grateful if you could reconsider the proposal to close Meadowbank school.

With kind regards,

Craig

**Craig Williams MP**
Member of Parliament for Cardiff North

**e:** craig.williams.mp@parliament.uk | **t:** 029 2240 1350
**a:** Office of Craig Williams MP, Unit 5, Heol Llanishen Fach, Rhiwbina, Cardiff, CF14 6RG
**w:** www.craigwilliams.wales | **t:** @Craig4CardiffN | **f:** fb.com/Craig4CardiffNorth

## Phillips, Joanna

**From:** WILLIAMS, Craig <craig.williams.mp@parliament.uk>
**Sent:** 29 March 2016 12:47
**To:** School Responses
**Subject:** Specialist provision for Primary Aged Pupils with Speech and Language Difficulties and with Behavioural Emotional and Social Difficulties.
**Attachments:** Specialist provision for Primary Aged Pupils with Speech and Language Difficulties and with Behavioural Emotional and Social Difficulties.

Our Ref: CW/AR/Meadowbank

Dear Sir/Madam,

Further to my previous email (attached for convenience), one of my members of staff attended the public meeting held on 16th March and highlighted to me that there were a number of points raised by those present. Whilst I am sure that you have captured the comments made at the meeting, I felt it important to re-iterate the following points:

1) Many offered examples of success stories for their children and it is important that these are not overlooked in the final decision
2) A number felt that they had been offered schools which were not suitable in the first instance and that the option of Meadowbank had not been given.
3) Those present also felt that Meadowbank was not publicised by the Council, especially in relation to statemented children.
4) There was concern about the staff and whether their jobs would be protected. If the school closes then there is a high risk that a lot of experienced, specialist staff will be lost.
5) Comments were made about the parent/teacher pupil ratio in mainstream for those who are statemented/with SEN compared with that at Meadowbank.

As previously, I'd be grateful if you could take the comments into consideration and reconsider the proposal to close Meadowbank school.

With kind regards,

Craig

**Craig Williams MP**
Member of Parliament for Cardiff North

**e:** craig.williams.mp@parliament.uk | **t:** 029 2240 1350
**a:** Office of Craig Williams MP, Unit 5, Heol Llanishen Fach, Rhiwbina, Cardiff, CF14 6RG
**w:** www.craigwilliams.wales | **t:** @Craig4CardiffN | **f:** fb.com/Craig4CardiffNorth

## Appendix 3

# Cardiff Council
# Statutory Screening Tool Guidance

If you are developing a strategy, policy or activity that is likely to impact people, communities or land use in any way then there are a number of statutory requirements that apply. Failure to comply with these requirements, or demonstrate due regard, can expose the Council to legal challenge or other forms of reproach.

For instance, this will apply to strategies (i.e. Housing Strategy or Disabled Play Strategy), policies (i.e. Procurement Policy) or activity (i.e. developing new play area).

Completing the Statutory Screening Tool will ensure that all Cardiff Council strategies, policies and activities comply with relevant statutory obligations and responsibilities. Where a more detailed consideration of an issue is required, the Screening Tool will identify if there is a need for a full impact assessment, as relevant.

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The main statutory requirements that strategies, policies or activities must reflect include:

- **Equality Act 2010 - Equality Impact Assessment**
- **Welsh Government's Sustainable Development Bill**
- **Welsh Government's Statutory Guidance - Shared Purpose Shared Delivery**
- **United Nations Convention on the Rights of the Child**
- **United Nations Principles for Older Persons**
- **Welsh Language Measure 2011**
- **Health Impact Assessment**
- **Habitats Regulations Assessment**
- **Strategic Environmental Assessment**

This Statutory Screening Tool allows us to meet all the requirements of all these pieces of legislation as part of an integrated screening method that usually taken no longer than an hour.

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The Screening Tool can be completed as a self assessment or as part of a facilitated session, should further support be needed. For further information or if you require a facilitated session please contact the Policy, Partnerships and Citizen Focus Team on 2078 8563 e-mail: siadavies@cardiff.gov.uk. Please note:

- **The completed Screening Tool must be submitted as an appendix with the Cabinet report.**
- **The completed screening tool will be published on the intranet.**

# Statutory Screening Tool

| **Name of Strategy / Policy / Activity:**<br><br>School Organisation Proposals: Specialist Provision for Primary Aged Pupils with Speech and Language Difficulties and with Behavioural Emotional and Social Difficulties. | **Date of Screening:**<br><br>June 2016 |
|---|---|
| **Service Area/Section:** Education | **Lead Officer:** Nick Batchelar |
| **Attendees:**<br>Self-assessment | |

| **What are the objectives of the Policy/Strategy/Project/Procedure/ Service/Function** | **Please provide background information on the Policy/Strategy/Project/Procedure/Service/Function and any research done [e.g. service users data against demographic statistics, similar EIAs done etc.]** |
|---|---|
| The Cabinet is recommended to authorise the Director of Education and Lifelong Learning, in consultation with the Cabinet Member for Education, to;<br><br>1. Carry out a further review of speech and language support in Cardiff with the aim of bringing forward revised proposals;<br><br>2. Undertake further engagement with schools and other stakeholders in relation to early intervention for children with behavioural emotional and social needs;<br><br>3. Work with the governing bodies of Meadowbank and Allensbank Schools to ensure the needs of children with speech and language needs placed at the schools can continue to be met effectively, pending a revised proposal. | <u>Background</u><br>At its meeting on 03 December 2015 the Cabinet authorised officers to undertake a public consultation on proposals to:<br><br>• Close Meadowbank Special School at the end of the academic year 2017.<br><br>• Continue to maintain a Specialist Resource Base (SRB) at Allensbank School but cease admission of pupils with speech and language difficulties, unless transferring from Meadowbank Special School. Redesignate this as an SRB for pupils with autism spectrum conditions (ASC), with first admission of ASC children in September 2018.<br><br>• Continue to maintain a Specialist Resource Base at Fairwater School but cease admission of pupils with statements for behaviour emotional and social difficulties. Redesignate this as an Early Intervention Class (EIC) from September 2018.<br><br>• Maintain the specialist classes at Glan Yr Afon (Revolving Door) and Springwood (Nurture Class), but rebadge these as Early Intervention Classes, adopting |

| | |
|---|---|
| | the proposed admission criteria and operational procedures outlined above from September 2018.<br><br>The initial proposal set out a significant reshaping of specialist provision to respond to the changing pattern of special educational needs and the increased capacity of mainstream schools to support special educational needs.<br><br>The proposed reshaping would maintain the current level of investment in specialist provision and support for special educational needs, while ensuring a better fit to the current pattern of need.<br><br>There has been an ongoing gradual decline in the number of parents who request a specialist speech and language placement for their child, which has resulted in a steady fall in the number of funded places over many years, from 70 places prior to 2006; to 58 places in 2010, and to 34 places in November 2015.<br><br>The Council has responded to this shift in expectation by investing in mainstream support over several years. Work to build capacity for speech and language support began in 2010 and remains ongoing. The Council believes the fall in demand/ need for specialist places is a direct result both of parental expectations for mainstream inclusion and the capacity building work that has been done to meet needs more effectively in mainstream.<br><br>Alongside the changes affecting speech and language provision, there has been an increased demand for specialist provision for children with special educational needs such as autism spectrum conditions and behavioural emotional and social needs.<br><br>ESTYN recognised the rationale for responding to these pressures by re-shaping provision by closing Meadowbank School, redesignating the SRB at Allensbank for ASC and developing a network of Early Intervention Classes.<br><br><u>The consultation response</u><br>In relation to support for speech and language needs, many respondents acknowledged the effectiveness of the work that has been undertaken in recent years to build capacity and skills in mainstream schools. This work has included a comprehensive training programme; universal early screening for speech and |

| | |
|---|---|
| | language needs; and a collaborative working relationship between Cardiff and the Vale UHB Speech and Language Therapy Service and the Specialist Teacher Service.<br><br>There is also a general acknowledgment among respondents, of the need for some change in the pattern of provision to support speech and language needs.<br><br>However, there is a strong consensus among stakeholders regarding the importance of continuing to maintain an effective range of specialist support for children with speech language and communication needs, and concerns that the proposal does not yet fully address this issue.<br><br>In particular, strong views have been expressed regarding the need to retain some designated specialist provision for children with the most severe speech and language needs.<br><br>Some respondents express the view that special school places should continue to form part of the range of specialist provision. Other respondents put more emphasis on the need for early intervention in the form of resource bases.<br><br>Given the strong views expressed by stakeholders it is deemed advisable for additional work to be undertaken to engage with stakeholders more fully prior to bringing forward a revised proposal for consideration.<br><br>In developing a revised proposal, the relative benefits and costs of SRB and special school provision will need to be borne in mind. In Council's view, SRBs are a more efficient and effective means of delivering short-term or part-time support. The cost of an SRB place is between one third and one half the cost of a special school place, while the mainstream location of SRBs offers additional benefits for children of ongoing contact with mainstream peers and learning experiences.<br><br>In relation to support for behavioural emotional and social needs, many respondents acknowledged the growing demand for specialist provision for children presenting with behavioural emotional and social needs, and recognised that there are insufficient specialist places available to meet this need at present.<br><br>The Council agrees with this analysis and this factor was key reason for the proposal |

| | |
|---|---|
| | outlined.<br><br>However, there is not yet consensus or sufficient clarity about the criteria and purpose of Early Intervention Classes. Further work is therefore needed to clarify and develop this aspect of the proposal prior to bringing forward a revised proposal for consideration.<br><br>The initial proposal to develop a network of Early Intervention Classes was based on a reinvestment of the resources and skills that would be released by closure of Meadowbank School. In the absence of significant new investment, it would not be possible to proceed with these classes while also retaining Meadowbank School.<br><br><u>Reason for recommendation</u><br>The consultation has identified a number of views that are significant concerns for stakeholders. It is deemed advisable for additional work to be undertaken to engage with stakeholders more fully prior to bringing forward a revised proposal for consideration. |



## **Part 1:** *Impact on outcomes and due regard to Sustainable Development*

| **Please use the following scale when considering what contribution the activity makes:** | | |
|---|---|---|
| **+** | Positive | Positive contribution to the outcome |
| **-** | Negative | Negative contribution to the outcome |
| **ntrl** | Neutral | Neutral contribution to the outcome |
| **Uncertain** | Not Sure | Uncertain if any contribution is made to the outcome |

| | **Has the Strategy/Policy/Activity considered how it will impact one or more of Cardiff's 7 Citizen focused Outcomes?** | Please Tick | | | | **Evidence or suggestion for improvement/mitigation** |
|---|---|---|---|---|---|---|
| | | **+** | **-** | Ntrl | Un-Crtn | |
| **1.1** | **People in Cardiff are healthy;**<br>*Consider the potential impact on*<br>• *the promotion of good health, prevention of damaging behaviour, promote healthy eating/active lifestyles etc,*<br>• *vulnerable citizens and areas of multiple deprivation*<br>• *Addressing instances of inequality in health* | | ✓ | | | - The delay in a decision regarding the future of provision for speech and language needs will cause a delay in the goal of providing additional specialist places for children experiencing behaviour emotional and social difficulties.<br>- The number of primary aged pupils who require a specialist placement due to their behaviour emotional social needs is |

| | Has the Strategy/Policy/Activity considered how it will impact one or more of Cardiff's 7 Citizen focused Outcomes? | Please Tick | | | | Evidence or suggestion for improvement/mitigation |
|---|---|---|---|---|---|---|
| | | + | - | Ntrl | Un-Crtn | |
| | | | | | | increasing. There are insufficient specialist places to meet this need.<br>- There is a high risk that in September 2016 there will be 12 or more pupils unable to access the specialist provision they need, and their needs will be insufficiently met. |
| **1.2** | **People in Cardiff have a clean, attractive and sustainable environment;**<br>*Consider the potential impact on*<br>• *the causes and consequences of Climate Change and creating a carbon lite city* | | | ✓ | | - The recommendation to develop revised proposals will have no impact on this outcome. |
| | • *encouraging walking, cycling, and use of public transport and improving access to countryside and open space* | | | ✓ | | - The recommendation to develop revised proposals will have no impact on this outcome. |
| | • *reducing environmental pollution (land, air, noise and water)* | | | | | N/A |
| | • *reducing consumption and encouraging waste reduction, reuse, recycling and recovery* | | | | | N/A |
| | • *encouraging biodiversity* | | | | | N/A |

| | Has the Strategy/Policy/Activity considered how it will impact one or more of Cardiff's 7 Citizen focused Outcomes? | Please Tick | | | | Evidence or suggestion for improvement/mitigation |
|---|---|---|---|---|---|---|
| | | + | - | Ntrl | Un-Crtn | |
| **1.3** | **People in Cardiff are safe and feel safe;**<br>*Consider the potential impact on*<br>• *reducing crime, fear of crime and increasing safety of individuals*<br>• *addressing anti-social behaviour*<br>• *protecting vulnerable adults and children in Cardiff from harm or abuse* | | ✓ | | | - high quality support for speech and language pupils in mainstream schools, and in specialist settings will continue pending revised proposals. However, there will be a delay in securing additional provision for pupils with behavioural emotional and social difficulties with the outcome that some vulnerable learners and their families will be adversely affected. |
| **1.4** | **Cardiff has a thriving and prosperous economy;**<br>*Consider the potential impact on*<br>• *economic competitiveness (enterprise activity, social enterprises, average earnings, improve productivity)*<br>• *Assisting those Not in Education, Employment or Training*<br>• *attracting and retaining workers (new employment and training opportunities, increase the value of employment,)*<br>• *promoting local procurement opportunities or enhancing the capacity of local companies to compete* | | | | | N/A. |
| **1.5** | **People in Cardiff achieve their full potential;**<br>*Consider the potential impact on*<br>• *promoting and improving access to life-long learning in Cardiff*<br>• *raising levels of skills and qualifications*<br>• *giving children the best start*<br>• *improving the understanding of sustainability*<br>• *addressing child poverty (financial poverty, access poverty, participation poverty)*<br>• *the United Nations Convention on the Rights of a Child and Principles for Older persons* | | ✓ | | | - high quality support for speech and language pupils in mainstream schools, and in specialist settings will continue pending revised proposals. However, there will be a delay in securing additional provision for pupils with behavioural emotional and social difficulties with the outcome that some vulnerable learners and their families will be adversely affected. |

| | Has the Strategy/Policy/Activity considered how it will impact one or more of Cardiff's 7 Citizen focused Outcomes? | Please Tick | | | | Evidence or suggestion for improvement/mitigation |
|---|---|---|---|---|---|---|
| | | + | - | Ntrl | Un-Crtn | |
| 1.6 | **Cardiff is a Great Place to Live, Work and Play**<br>*Consider the potential impact on*<br>• *promoting the cultural diversity of Cardiff*<br>• *encouraging participation and access for all to physical activity, leisure & culture*<br>• *play opportunities for Children and Young People*<br>• *protecting and enhancing the landscape and historic heritage of Cardiff*<br>• *promoting the City's international links* | | | | | N/A |
| 1.7 | **Cardiff is a fair, just and inclusive society.**<br>Consider the potential impact on<br>• *the elimination of discrimination, harassment or victimisation for equality groups*<br>• *has the community or stakeholders been engaged in developing the strategy/policy/activity?*<br>• *how will citizen participation be encouraged (encouraging actions that consider different forms of consultation, through more in depth engagement to full participation in service development and delivery)?* | ✓ | | | | See Equality Impact Assessment below (and attached).<br><br>- The education community, families and other partners have been engaged in consultation on the initial proposal. The recommendation to develop revised proposals is a recognition of the concerns that have been expressed and the need to reconsider some elements of the proposal. |
| 1.8 | **The Council delivers positive outcomes for the city and its citizens through strong partnerships**<br>*Consider the potential impact on*<br>• *strengthening partnerships with business and voluntary sectors*<br>• *the collaboration agenda and the potential for shared services, cross-boundary working and efficiency savings* | ✓ | | | | - In the process of developing revised proposals, there will be further engagement with stakeholders, including schools, pupils, families, NHS health services and voluntary sector partners, with a view to further developing collaborative approaches to supporting children with special educational needs and their families. |

| | Has the Strategy/Policy/Activity considered how it will impact one or more of Cardiff's 7 Citizen focused Outcomes? | Please Tick | | | | Evidence or suggestion for improvement/mitigation |
|---|---|---|---|---|---|---|
| | | + | - | Ntrl | Un-Crtn | |
| | *Will this Policy/Strategy/Project have a **differential impact** on any of the following:* | | | | | *Please give details/consequences of the differential impact (positive and negative), and what action(s) can you take to address any negative implications?* |
| | • **Age** (including children and young people aged 0-25 and older people over 65 in line with the United Nations Conventions) | | ✓ | | | **Age 4 – 11**<br><br>- There is insufficient provision for pupils with behaviour emotional and social needs in this age group.<br>- Projections of need suggest that an additional SRB for pupils with autism spectrum conditions will be needed by September 2017.<br>- The delay in making a decision regarding the reshaping of specialist provision for primary aged pupils will have an adverse impact on the above groups. |
| | • **Disability** | | ✓ | | | - high quality support for speech and language pupils in mainstream schools, and in specialist settings will continue pending revised proposals. However, there will be a delay in securing additional provision for pupils with behavioural emotional and social difficulties with the outcome that some vulnerable learners and their families will be adversely affected. |
| | • **Gender Reassignment** | | | ✓ | | N/A |
| | • **Marriage & Civil Partnership** | | | ✓ | | N/A |
| | • **Pregnancy & Maternity** | | | ✓ | | N/A |
| | • **Race** | | | ✓ | | The proposal would not have a differential impact upon one particular ethnic group as the provision would be available to all. |
| | • **Religion/Belief** | | | ✓ | | **N/A** |
| | • **Sex** | | | ✓ | | All schools would continue to admit pupils of both sexes. |

| | Has the Strategy/Policy/Activity considered how it will impact one or more of Cardiff's 7 Citizen focused Outcomes? | Please Tick | | | | Evidence or suggestion for improvement/mitigation |
|---|---|---|---|---|---|---|
| | | + | - | Ntrl | Un-Crtn | |
| | | | | | | The Council's procedure for managing staffing changes arising from reorganisation would be used in implementing the changes in this proposal. This ensures that good practice is followed, including the application of the Council's policies on equal opportunities. |
| | • **Sexual Orientation** | | | ✓ | | N/A |
| | • **Welsh Language**<br>• **Other languages** | ✓<br><br>✓ | | <br><br>✓ | | The decision to revisit the proposals could delay provision of Welsh-medium specific provision for behavioural social and emotional difficulties.<br><br><u>Other Language support</u><br><br>The proposal will not directly impact on the level of support provided s all support is dependent on the Minority Ethnic Achievement Grant which is reviewed and then renewed according to the results of the annual Needs Assessment Survey. The allocation of teachers and Bi-lingual Teacher Assistants (BTAs) is usually in place for the period of the academic year but is liable to change throughout the year to meet fluctuations in demand. |



**SUMMARY OF APPRAISAL (highlight positive and negative effects of the policy / plan / project being assessed, demonstrating how it contributes to the economic, social and environmental sustainability of the city):**

**Economic/Educational/Social**

The decision not to progress the initial proposal will initially have a potentially adverse effect on the education of a small group of vulnerable learners with behavioural social emotional needs, for whom there is currently insufficient provision. The initial proposal attempted to address this by releasing resources from under-subscribed speech and language provision, and investing in additional specialist places for this group.

The decision to undertake further work and revise the proposals will ultimately result in proposals that address the concerns of stakeholders.

| WHAT ACTIONS HAVE BEEN IDENTIFIED OR CHANGES BEEN MADE TO THE POLICY / PLAN / PROJECT AS A RESULT OF THIS APPRAISAL: |
| --- |
| The following assessments to be undertaken:<br>• Equality Impact Assessment to be updated once revised proposals have been developed |

## **Part 2:** *Strategic Environmental Assessment Screening*

| | | Yes | No |
|---|---|---|---|
| 2.1 | Does the plan or programme set the framework for future development consent? | | X |
| 2.2 | Is the plan or programme likely to have significant, positive or negative, environmental effects? | | X |

| **Is a Full Strategic Environmental Assessment Screening Needed?**<br>▪ **If yes has been ticked to both questions 2.1 and 2.2 then the answer is yes**<br>▪ **If a full SEA Screening is required then please contact the Sustainable Development Unit to arrange (details below)** | **Yes** | **No**<br>X<br>An SEA has been undertaken (see attached) and will be updated following public consultation on the school proposals. |
|---|---|---|

**If you have any doubt on your answers to the above questions regarding SEA then please consult with the Sustainable Development Unit on 2087 3228 sustainabledevelopment@cardiff.gov.uk**

## **Part 3:** *Habitat Regulation Assessment (HRA)*

| | | Yes | No | Unsure |
|---|---|---|---|---|
| 3.1 | Will the plan, project or programme results in an activity which is known to affect a European site, such as the Severn Estuary or the Cardiff Beech Woods? | | x | |
| 3.2 | Will the plan, project or programme which steers development towards an area that includes a European site, such as the Severn Estuary or the Cardiff Beech Woods or may indirectly affect a European site? | | x | |
| 3.3 | Is a full HRA needed? | | x | |

Details of the strategy will be sent to the County Ecologist on completion of the process to determine if a Habitat Regulation Assessment is needed. For further information please phone 2087 3215 or email biodiversity@cardiff.gov.uk

## Appendix 1 – Statutory Requirements

**It is possible that the Impact Screening Tool will identify the need to undertake specific statutory assessments:**

- **Equality Impact Assessment**: *This assessment is required by the Equality Act 2010 and Welsh Government's Equality Regulations 2011.*
- **Sustainable Development Bill:** *The Bill, when it comes into effect, will require sustainable development (SD) to be a central organising principle for the organisation. This means that there is a duty to consider SD in the strategic decision making processes.*
- **Shared Purpose Shared Delivery**- *The Welsh Government requires local authorities to produce a single integrated plan to meet statutory requirements under a range of legislation. Cardiff Council must therefore demonstrate its contribution towards Cardiff's own integrated plan; "What Matters".*
- **United Nations Convention on the Rights of the Child**: *The Children Act 2004 guidance for Wales requires local authorities and their partners to have regard to the United Nations Convention on the Rights of a Child.*
- **United Nations Principles for Older Persons:** *The principles require a consideration of independence, participation, care, self-fulfillment and dignity.*
- **The Welsh Language Measure 2011:** *The measure sets out official status for the Welsh language, a Welsh language Commissioner, and the freedom to speak Welsh.*
- **Health Impact Assessment:** *(HIA) considers policies, programmes or projects for their potential effects on the health of a population*
- **Strategic Environmental Impact Assessment:** *A Strategic Environmental Assessment (SEA) is an European Directive for plans, programmes and policies with land use implications and significant environmental effects.*
- **Habitats Regulations Assessment:** *The Conservation (Natural Habitats, &c.) (Amendment) Regulations 2007 provides a requirement to undertake Habitats Regulations Assessment (HRA) of land use plans.*

**CARDIFF COUNCIL**

**Initial Equality Impact Assessment**

# Corporate Assessment Template

| **Policy/Strategy/Project/Procedure/Service/Function Title:**<br><br>School Organisation Proposals: Specialist provision for primary aged pupils with speech and language difficulties and with behavioural emotional and social difficulties | |
|---|---|
| **New/Existing/Updating/Amending:**<br><br>New | |
| **Who is responsible for developing and implementing the Policy/Strategy/Project/Procedure/Service/Function?** | |
| Name:<br>Jennie Hughes | Job Title:<br>Senior Achievement Leader Inclusion |
| Service Team:<br>Inclusion | Service Area:<br>Education |
| Assessment Date: December 2014 | |

**1. What are the objectives of the Policy/Strategy/Project/ Procedure/ Service/Function?**

**It is proposed that:**

The Cabinet is recommended to authorise the Director of Education and Lifelong Learning, in consultation with the Cabinet Member for Education, to;

1. Carry out a further review of speech and language support in Cardiff with the aim of bringing forward revised proposals;

2. Undertake further engagement with schools and other stakeholders in relation to early intervention for children with behavioural emotional and social needs;

3. Work with the governing bodies of Meadowbank and Allensbank Schools to ensure the needs of children with speech and language needs placed at the schools can continue to be met effectively, pending a revised proposal.

**2. Please provide background information on the Policy/Strategy/Project/Procedure/Service/Function and any research done [e.g. service users data against demographic statistics, similar EIAs done etc.]**

There has been a trend away from special schools places for speech and language needs as part of a national trend towards inclusion. Cardiff is the only local authority in England and Wales still maintaining a special school specialising solely in speech and language needs.

While special school continues to be an important option for some children with complex, long term learning difficulties, there has been a general trend for children with moderate learning delays, speech and language difficulties and physical disabilities to attend a local school.

Meadowbank School is a small special school located in Gabalfa adjacent to Gabalfa Primary School and Ysgol Glan Ceubal, for children aged 4-11 with significant speech and language difficulties.

Historically the Vale of Glamorgan Council funded 10 places at the school and at that time the school operated at 40 places. In 2010, the Vale of Glamorgan gave notice of their intention to withdraw from this arrangement, making no new placements. In July 2015 the last Vale child left the school.

Cardiff also maintains a specialist resource base (SRB) at Allensbank Primary School, for 20 pupils with speech and language difficulties.

Although the number of children and young people with speech and language difficulties has not fallen, demand for places at both Meadowbank and Allensbank SRB has fallen in recent years, with an increasing number of parents expressing a preference for mainstream education, with support provided in the local catchment school.

At the present time, November 2015, there are 23 pupils on roll at Meadowbank.

Demand for places at Allensbank has also fallen from 18 in 2010-11, to 11 pupils in November 2015.

The prospects for pupils with speech and language difficulties to be reintegrated to mainstream school are good; the majority of pupils attending Meadowbank and Allensbank SRB transfer to a local high school at Year 7, and many pupils make sufficient progress to transfer at an earlier age.

A report on specialist provision for pupils with SEN/ ALN was completed in 2013. This identified a number of priorities for future development of special school and SRB provision.

In March 2014 a focus group of Headteachers, health, children services and parent partnership representatives was consulted on the priorities for future development of BESD provision in Cardiff (Appendix 3). There was consensus on the need for:

- More capacity for early intervention such as Nurture Classes and Revolving door classes;
- Greater emphasis on the underlying needs experienced by this group including: mental health and medical needs; speech and language difficulties; literacy and numeracy delays.

Demand for special school or SRB places for primary aged children presenting with challenging behaviours has increased over the last two years. In 2014-15 there was a 30% increase in the number of new statements for this area of need..

The initial proposal set out a significant reshaping of specialist provision to respond to the changing pattern of special educational needs described above. The proposed reshaping would maintain the current level of investment in specialist provision and support for special educational needs, while ensuring a better fit to the current pattern of need.

There is also a general acknowledgment among respondents, of the need for some change in the pattern of provision to support speech and language needs.

However, there is a strong consensus among stakeholders regarding the importance of continuing to maintain an effective range of specialist support for children with speech language and communication needs, and concerns that the proposal does not yet fully address this issue. In particular, strong views have been expressed regarding the need to retain some designated specialist provision for children with the most severe speech and language needs.

Given the strong views expressed by stakeholders it is deemed advisable for additional work to be undertaken to engage with stakeholders more fully prior to bringing forward a revised proposal for consideration.

In relation to support for behavioural emotional and social needs, many respondents acknowledged the growing demand for specialist provision for children presenting with behavioural emotional and social needs, and recognised that there are insufficient specialist places available to meet this need at present. The Council agrees with this analysis and this factor was key reason for the proposal outlined.

However, there is not yet consensus or sufficient clarity about the criteria and purpose of Early Intervention Classes. Further work is therefore needed to clarify and develop this aspect of the proposal prior to bringing forward a revised proposal for consideration.

The consultation has identified a number of views that are significant concerns for stakeholders. It is deemed advisable for additional work to be undertaken to engage with stakeholders more fully prior to bringing forward a revised proposal for consideration.

**3 Assess Impact on the Protected Characteristics**

**3.1 Age**

Will this Policy/Strategy/Project/Procedure/Service/Function have a **differential impact [positive/negative/]** on younger/older people?

| | Yes | No | N/A |
|---|---|---|---|
| 3-11 years | **+ve /-ve** | | |
| 12 - 65 years | **x** | | |
| Over 65 years | **x** | | |

| **Please give details/consequences of the differential impact, and provide supporting evidence, if any.** |
|---|
| High quality support for speech and language pupils in mainstream schools, and in specialist settings will continue pending revised proposals.<br>However, there will be a delay in securing additional provision for pupils with behavioural emotional and social difficulties with the risk that some vulnerable learners and their families will be adversely affected. It is anticipated that some pupils who require specialist placement will be unable to access this support and will remain in their local mainstream school with funded support. This will increase the risk of exclusion, school placement breakdown and adverse impact on other pupils. |
| **What action(s) can you take to address the differential impact?** |
| The Education and Lifelong Learning Directorate, via the behaviour support team, education psychology service and inclusion managers, will work closely with schools to ensure continued support for vulnerable pupils. |
| **If no differential impact, explain the reason(s) for this assessment:** |
| |

**3.2 Disability**

Will this Policy/Strategy/Project/Procedure/Service/Function have a **differential impact [positive/negative]** on disabled people?

| | Yes | No | N/A |
|---|---|---|---|
| Hearing Impairment | | | **X** |
| Physical Impairment | | | **X** |
| Visual Impairment | | | **X** |
| Learning Disability | | | **x** |
| Long-Standing Illness or Health Condition | | | **X** |
| Mental Health | **-ve** | | |
| Substance Misuse | | | **X** |
| Other | | | **X** |

| Please give details/consequences of the differential impact, and provide supporting evidence, if any. |
|---|
| The rise in the number of children displaying challenging behaviour correlates with the increase in mental health issues in very young children, which has been identified as national phenomenon.<br>The delay in securing additional specialist provision for this vulnerable group, increases risks for children experiencing mental health difficulties. |
| **What action(s) can you take to address the differential impact?** |
| |
| **If no differential impact, explain the reason(s) for this assessment:**<br>The Education and Lifelong Learning Directorate, via the behaviour support team, education psychology service and inclusion managers, will work closely with schools to ensure continued support for vulnerable pupils. |

**3.3 Gender Reassignment**

Will this Policy/Strategy/Project/Procedure/Service/Function have a **differential impact [positive/negative]** on transgender people?

| | Yes | No | N/A |
|---|---|---|---|
| **Transgender People**<br>(People who are proposing to undergo, are undergoing, or have undergone a process [or part of a process] to reassign their sex by changing physiological or other attributes of sex) | | X | |

| Please give details/consequences of the differential impact, and provide supporting evidence, if any. |
|---|
| |
| **What action(s) can you take to address the differential impact?** |
| |
| **If no differential impact, explain the reason(s) for this assessment:** |
| N/A |

**3.4. Marriage and Civil Partnership**

Will this Policy/Strategy/Project/Procedure/Service/Function have a **differential impact [positive/negative]** on marriage and civil partnership?

| | Yes | No | N/A |
|---|---|---|---|
| Marriage | | | **X** |
| Civil Partnership | | | **X** |

| Please give details/consequences of the differential impact, and provide supporting evidence, if any. |
|---|
| |
| **What action(s) can you take to address the differential impact?** |
| |
| **If no differential impact, explain the reason(s) for this assessment:** |
| N/A |

**3.5 Pregnancy and Maternity**

Will this Policy/Strategy/Project/Procedure/Service/Function have a **differential impact [positive/negative]** on pregnancy and maternity?

| | Yes | No | N/A |
|---|---|---|---|
| Pregnancy | | X | |
| Maternity | | | X |

| Please give details/consequences of the differential impact, and provide supporting evidence, if any. |
|---|
| |
| **What action(s) can you take to address the differential impact?** |

| |
|---|
| **If no differential impact, explain the reason(s) for this assessment:** |
| N/A |

**3.6 Race**

Will this Policy/Strategy/Project//Procedure/Service/Function have a **differential impact [positive/negative]** on the following groups?

| | Yes | No | N/A |
|---|---|---|---|
| White | | X | |
| Mixed / Multiple Ethnic Groups | | X | |
| Asian / Asian British | | X | |
| Black / African / Caribbean / Black British | | X | |
| Other Ethnic Groups | | X | |

| |
|---|
| **Please give details/consequences of the differential impact, and provide supporting evidence, if any.** |
| |
| **What action(s) can you take to address the differential impact?** |
| |
| **If no differential impact, explain the reason(s) for this assessment:** |
| N/A |

**3.7 Religion, Belief or Non-Belief**

Will this Policy/Strategy/Project/Procedure/Service/Function have a **differential impact [positive/negative]** on people with different religions, beliefs or non-beliefs?

| | Yes | No | N/A |
|---|---|---|---|
| Buddhist | | X | |
| Christian | | X | |
| Hindu | | X | |
| Humanist | | X | |
| Jewish | | X | |
| Muslim | | X | |
| Sikh | | X | |
| Other | | X | |
| **Please give details/consequences of the differential impact, and provide supporting evidence, if any.** | | | |
| | | | |
| **What action(s) can you take to address the differential impact?** | | | |
| | | | |
| **If no differential impact, explain the reason(s) for this assessment:** | | | |
| N/A | | | |

**3.8 Sex**

Will this Policy/Strategy/Project/Procedure/Service/Function have a **differential impact [positive/negative]** on men and/or women?

| | Yes | No | N/A |
|---|---|---|---|
| Men | | **X** | |
| Women | | **X** | |

| |
|---|
| **Please give details/consequences of the differential impact, and provide supporting evidence, if any.** |
| |
| **What action(s) can you take to address the differential impact?** |

| |
|---|
| **If no differential impact, explain the reason(s) for this assessment:** |
| |

**3.9 Sexual Orientation**

Will this Policy/Strategy/Project/Procedure/Service/Function have a **differential impact [positive/negative]** on the following groups?

| | Yes | No | N/A |
|---|---|---|---|
| Bisexual | | X | |
| Gay Men | | X | |
| Gay Women/Lesbians | | X | |
| Heterosexual/Straight | | X | |

| **Please give details/consequences of the differential impact, and provide supporting evidence, if any.** |
|---|
| |
| **What action(s) can you take to address the differential impact?** |
| |
| **If no differential impact, explain the reason(s) for this assessment:** |
| |

**3.10 Language**

Will this Policy/Strategy/Project/Procedure/Service/Function have a **differential impact [positive/negative]** on Language?

| | Yes | No | N/A |
|---|---|---|---|
| Welsh Language | **-ve** | | |
| Other languages | | x | |

| **Please give details/consequences of the differential impact, and provide supporting evidence, if any.** |
|---|
| The initial proposal made provision for a welsh medium specialist class for children experiencing behaviour emotional and social needs. Development of this specialist class may be delayed due to undertake further work and develop revised proposals. |
| **What action(s) can you take to address the differential impact?** |
| The Education and Lifelong Learning Directorate, via the behaviour support team, education psychology service and inclusion managers, will work closely with schools to ensure continued support for vulnerable pupils. |
| **If no differential impact, explain the reason(s) for this assessment:** |
| The proposal will not directly impact on the level of support provided as all support is dependent on the Minority Ethnic Achievement Grant which is reviewed and then renewed according to the results of the annual Needs Assessment Survey. The allocation of teachers and Bi-lingual Teacher Assistants (BTAs) is usually in place for the period of the academic year but is liable to change throughout the year to meet fluctuations in demand |

**4. Consultation and Engagement**

What arrangements have been made to consult/engage with the various Equalities Groups?

| |
|---|
| - Revision of the proposals will include engagement with al stakeholders, including schools, pupils and their families, health, social care and voluntary sector organisations. |

**5. Summary of Actions [Listed in the Sections above]**

| Groups | Actions |
|---|---|
| Age | The Education and Lifelong Learning Directorate, via the behaviour support team, education psychology service and inclusion managers, will work closely with schools to ensure continued support for vulnerable pupils. |
| Disability | The Education and Lifelong Learning Directorate, via the behaviour support team, education psychology service and inclusion managers, will work closely with schools to ensure continued support for vulnerable pupils. |
| Gender Reassignment | None identified |
| Marriage & Civil Partnership | None identified |
| Pregnancy & Maternity | None identified |
| Race | None identified |
| Religion/Belief | None identified |
| Sex | None identified |
| Sexual Orientation | None identified |
| Language | The Education and Lifelong Learning Directorate, via the behaviour support team, education psychology service and inclusion managers, will work closely with schools to ensure continued support for vulnerable pupils. |
| Generic Over-Arching | None identified . |

**6. Further Action**

Once revised proposals have been developed, a new EIA and SA/SEA appraisal will be undertaken.

**7. Authorisation**

The Template should be completed by the Lead Officer of the identified Policy/Strategy/Project/Function and approved by the appropriate Manager in each Service Area.

| | |
|---|---|
| Completed By: | Date: |
| Designation: | |
| Approved By: | |
| Designation: | |
| Service Area: Education | |

**Sustainability Appraisal (SA) incorporating Strategic Environmental Assessment (SEA) of the proposal relating to Specialist Provision for Primary Aged Pupils with Speech and Language Difficulties and with Behavioural Emotional and Social Difficulties.**

**Background**

In 2008, a retrospective Strategic Environmental Assessment (SEA) of Cardiff's 21st Century: A Strategic Framework for a School Building Improvement Programme (published in 2006) was carried out based on the guidance that supports the European SEA Directive 2001/42/EC.

The retrospective approach to assessment was quality assured by an external consultant and their independent compliance review determined that the report detailing the assessment on the strategic framework met the key requirements set out for reporting the SEA process as required by the SEA Directive.

The assessment provides the basis for assessing current and future school organisation proposals at a strategic level.

**To request a copy of the assessment on the Strategic Framework please contact Clive Bailey, 029 2087 3166, CBailey@cardiff.gov.uk .**

**Proposal**

At its meeting on 03 December 2015 the Cabinet authorised officers to undertake a public consultation on proposals to:

- Close Meadowbank Special School at the end of the academic year 2017.

- Continue to maintain a Specialist Resource Base (SRB) at Allensbank School but cease admission of pupils with speech and language difficulties, unless transferring from Meadowbank Special School. Redesignate this as an SRB for pupils with autism spectrum conditions (ASC), with first admission of ASC children in September 2018.

- Continue to maintain a Specialist Resource Base at Fairwater School but cease admission of pupils with statements for behaviour emotional and social difficulties. Redesignate this as an Early Intervention Class (EIC) from September 2018.

- Maintain the specialist classes at Glan Yr Afon (Revolving Door) and Springwood (Nurture Class), but rebadge these as Early Intervention Classes, adopting the proposed admission criteria and operational procedures outlined above from September 2018.

Background

The initial proposal set out a significant reshaping of specialist provision to respond to the changing pattern of special educational needs and the increased capacity of mainstream schools to support special educational needs.

The proposed reshaping would maintain the current level of investment in specialist provision and support for special educational needs, while ensuring a better fit to the current pattern of need.

There has been an ongoing gradual decline in the number of parents who request a specialist speech and language placement for their child, which has resulted in a steady fall in the number of funded places over many years, from 70 places prior to 2006; to 58 places in 2010, and to 34 places in November 2015.

The Council has responded to this shift in expectation by investing in mainstream support over several years. Work to build capacity for speech and language support began in 2010 and remains ongoing. The Council believes the fall in demand/ need for specialist places is a direct result both of parental expectations for mainstream inclusion and the capacity building work that has been done to meet needs more effectively in mainstream.

Alongside the changes affecting speech and language provision, there has been an increased demand for specialist provision for children with special educational needs such as autism spectrum conditions and behavioural emotional and social needs.

ESTYN recognised the rationale for responding to these pressures by re-shaping provision by closing Meadowbank School, redesignating the SRB at Allensbank for ASC and developing a network of Early Intervention Classes.

The consultation response

In relation to support for speech and language needs, many respondents acknowledged the effectiveness of the work that has been undertaken in recent years to build capacity and skills in mainstream schools. This work has included a comprehensive training programme; universal early screening for speech and language needs; and a collaborative working relationship between Cardiff and the Vale UHB Speech and Language Therapy Service and the Specialist Teacher Service.

There is also a general acknowledgment among respondents, of the need for some change in the pattern of provision to support speech and language needs.

However, there is a strong consensus among stakeholders regarding the importance of continuing to maintain an effective range of specialist support for children with speech language and communication needs, and concerns that the proposal does not yet fully address this issue.

In particular, strong views have been expressed regarding the need to retain some designated specialist provision for children with the most severe speech and language needs.

Some respondents express the view that special school places should continue to form part of the range of specialist provision. Other respondents put more emphasis on the need for early intervention in the form of resource bases.

Given the strong views expressed by stakeholders it is deemed advisable for additional work to be undertaken to engage with stakeholders more fully prior to bringing forward a revised proposal for consideration.

In developing a revised proposal, the relative benefits and costs of SRB and special school provision will need to be borne in mind. In Council's view, SRBs are a more efficient and effective means of delivering short-term or part-time support. The cost of an SRB place is between one third and one half the cost of a special school place, while the mainstream location of SRBs offers additional benefits for children of ongoing contact with mainstream peers and learning experiences.

In relation to support for behavioural emotional and social needs, many respondents acknowledged the growing demand for specialist provision for children presenting with

behavioural emotional and social needs, and recognised that there are insufficient specialist places available to meet this need at present.

The Council agrees with this analysis and this factor was key reason for the proposal outlined.

However, there is not yet consensus or sufficient clarity about the criteria and purpose of Early Intervention Classes. Further work is therefore needed to clarify and develop this aspect of the proposal prior to bringing forward a revised proposal for consideration.

The initial proposal to develop a network of Early Intervention Classes was based on a reinvestment of the resources and skills that would be released by closure of Meadowbank School. In the absence of significant new investment, it would not be possible to proceed with these classes while also retaining Meadowbank School.

Reason for recommendation

The consultation has identified a number of views that are significant concerns for stakeholders. It is deemed advisable for additional work to be undertaken to engage with stakeholders more fully prior to bringing forward a revised proposal for consideration.

The Cabinet is recommended to authorise the Director of Education and Lifelong Learning, in consultation with the Cabinet Member for Education, to;

1. Carry out a further review of speech and language support in Cardiff with the aim of bringing forward revised proposals;

2. Undertake further engagement with schools and other stakeholders in relation to early intervention for children with behavioural emotional and social needs;

3. Work with the governing bodies of Meadowbank and Allensbank Schools to ensure the needs of children with speech and language needs placed at the schools can continue to be met effectively, pending a revised proposal.

Key:

| | |
|---|---|
| **xx** | **= very incompatible; very negative effect** |
| **x** | **= incompatible; negative effect** |
| **✔** | **= compatible; positive effect** |
| **✔✔** | **= very compatible; very positive effect** |
| **0** | **= no links; neutral effect** |
| **?** | **= uncertain effects** |
| **DNA** | **= data not available** |

* Comparison of the preferred option to do nothing or possible alternative options is required in a SA/SEA.

| **SEA objective** | **Proposed Closure of Meadowbank** | | | **Do Nothing** |
|---|---|---|---|---|
| | **Rating** | **Commentary/ explanation of compatibility with SEA objective** | **Rating** | **Commentary/ explanation of compatibility with SEA objective**<br><br>Do nothing is not an option as the change in the pattern of special educational needs and demand has to be addressed. However, in view of the concerns of stakeholders expressed during consultation, it is deemed advisable to undertake further work with a view to developing revised proposals. |
| 1. *Promote* a greener economy by delivering a sustainable pattern of speech language and communication (SLCN) behaviour emotional and social needs (BESN) provision across Cardiff | ✔ | Achieved as this proposal would provide a better match of supply to demand. | X | |
| 2. *Reduce* greenhouse gas emissions through:<br><br>a) Energy efficient building design and disposing of poor quality surplus accommodation<br><br>b) Promoting sustainable modes of transport and integrated transport systems | N/A | N/A<br><br>N/A | **N/A**<br><br>**N/A** | **N/A**<br><br>**N/A** |
| 3. *Promote health and wellbeing* by protecting and enhancing public open space and improving access to | **N/A** | N/A | N/A | N/A |

| | | | | |
|---|---|---|---|---|
| POS | | | | |
| 4. *Minimise* air, light and noise pollution associated with building development and traffic congestion | N/A | N/A | **N/A** | N/A |
| 5. *Protect* and enhance biodiversity, flora and fauna | **N/A** | N/A | N/A | N/A |
| 6. *Protect* and enhance the landscape (habitats/visual amenities) | N/A | N/A | N/A | N/A |
| 7. Conserve water resources and increase water efficiency in new developments and promote sustainable urban drainage systems | N/A | .N/A | N/A | N/A |
| 8. *Promote* regeneration by delivering inclusive schools that will improve equality of opportunity and access for all | N/A | N/A | N/A | N/A |
| 9. P*rotect and enhance* designated historic assets | N/A | N/A | N/A | N/A |

**Conclusion**

The proposal has been assessed to be largely compatible with the environmental objectives used to assess the goal and principles of the‘’21st Century Schools: A Strategic Framework for A School Building Improvement Programme” that underpin school organisation proposals.

CARDIFF
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My Ref: Scrutiny/Correspondence/MJH

24 May 2016

Councillor Sarah Merry
Cabinet Member - Education and Skills
County Hall
Atlantic Wharf
CARDIFF
CF10 4UW

Dear Sarah

**Cabinet proposal Meadowbank School – Specialist Provision for Primary Aged Pupils with Speech and Language Difficulties, and with Behavioural, Emotional and Social Difficulties**

The Committee has asked me to write to you following its consideration of the Cabinet report on the proposals for Meadowbank School, views of a number of interested stakeholders, as well as comments contained in the Estyn inspection letter and the Directorate Quarter 4 performance report, at Committee on 17 May 2016.

I was initially contacted by a number of people who were concerned about the proposals for Meadowbank School. As you are aware a Scrutiny Committee may invite anyone whom it believes can make a useful contribution to address it, discuss issues of local concern and/or answer questions. To this end I agreed to include an item on the agenda to enable anyone wishing to express a view on the proposals to address the Committee.

At the Committee meeting a number of parents and staff, the chair of governors and a third sector organisation expressed their wish to address the Committee and / or submit documents for the Committee to consider. The Committee heard some very passionate comments about the education and support provided by the school, and how these proposals could impact on the future outcome of pupils with speech and language difficulties and with behavioural emotional and social difficulties.

The Committee is fully aware that the consultation period had ended, however having read and considered the information in the Cabinet report and reflected on the information provided by the parents, staff and governors the Members agreed to provide you with its comments, concern and recommendations in respect of the policy and service development proposed in the Cabinet report dated 3 December 2015, prior to the final decision being taken by Cabinet.

The Committee also reflected on comments made by Estyn: *"Pupils most at risk of exclusion often have speech and language difficulties"* and also the Director of Education and Lifelong Learning in the Quarter 4 performance report *"There is a decline in performance on both National strategic indicators relating to the timeliness of processing Statements of Special Educational Needs and targets have not been met. The main contributory factors to this decline are*

*1) An increase in the volume of requests for statutory assessments and the associated work*

*2) A commitment to try to resolve issues with parents/carers which often extends timescales*

*3) Challenges in securing placements at specialist provisions*

*4) The capacity of the Education Psychology Service and Local Health Board to respond to the increase in demand for advice.*

*Action to improve performance is focused upon reducing the reliance upon statements to meet children's needs in mainstream schools, by introducing alternative provision, funding models, business processes and improved information sharing."*

The Committee discussed in detail the Cabinet report and information provided, and agreed to raise the following issues for you to take into consideration, prior to the approval of the proposals for Meadowbank School at Cabinet in the near future. We believe that the school should remain open until:

a. A detailed Cardiff wide strategy for the provision of Speech and Language Difficulties, and with Behavioural, Emotional and Social Difficulties support, is developed, consulted on and implemented.

b. An assessment of current support for children with Speech and Language Difficulties, and with Behavioural, Emotional and Social Difficulties across Cardiff's primary schools is undertaken, and is determined to be fit for purpose.

c. The professional views of all primary and secondary head teachers on the impact of pupils with Speech and Language Difficulties, and with Behavioural, Emotional and Social Difficulties currently in their schools is sought and assessed.

d. Further discussions are held with the school and appropriate third sector organisations on the support and needs of children and young people with Speech and Language Difficulties, and with Behavioural, Emotional and Social Difficulties.

e. That the school's expertise is promoted as a centre of excellence or as a training centre for teachers across Cardiff and the wider region.

f. Ensure that the Council continues to provide early specialist intervention, as it is considered to be the most effective and efficient method of managing children with special educational needs.

The Committee also wishes to receive anonymised data on the number and cost of any "Out of County" placements of children with Speech and Language Difficulties,

and with Behavioural, Emotional and Social Difficulties, as it was unable to assess from the Cabinet report the financial impact of the overall proposals.

The Committee recommends that you consider the above points before you agree the final proposals for Meadowbank School, and that you inform the Committee of your views on the above.

Yours sincerely

**COUNTY COUNCILLOR RICHARD COOK**
**Chair – Children and Young People Scrutiny Committee**

CC: Nick Batchelar, Director of Education and Lifelong Learning
Angela Kent, Head of Achievement and Inclusion.

**SWYDDFA CYMORTH Y CABINET**
**CABINET SUPPORT OFFICE**

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Fy Nghyf / My Ref: **CM 34796**

Dyddiad / Date: **8th July 2016**

Councillor Richard Cook
Chair – Children and Young People Scrutiny Committee
Cardiff Council
County Hall
Cardiff
**CF10 4UW**

Annwyl/Dear Cllr Cook

**Scrutiny Committee Letter - Meadowbank School**

In response to your letter dated 24 May 2016 following the Scrutiny Committee meeting on 17 May 2016 which considered the school organisation proposals for specialist provision for primary aged pupils with speech and language difficulties and with behavioural emotional and social difficulties.

I note the issues you raise within the letter. As you will be aware a post consultation report will be discussed at Cabinet on 14 July 2016 and will also be presented to pre –Cabinet scrutiny on 11 July 2016.

I look forward to discussing the report with you and Scrutiny colleagues at the meeting on the 11 July 2016.

Yn gywir
Yours sincerely

Sarah Merry

**Councillor Sarah Merry**
**Aelod Cabinet Dros**
**Councillor for Cabinet Member Education**

**ATEBWCH I / PLEASE REPLY TO :**
Swyddfa Cymorth Y Cabinet / Cabinet Support Office, Ystafell / Room 518, Neuadd y Sir / County Hall
Glanfa'r Iwerydd / Atlantic Wharf , Caerdydd/Cardiff, CF10 4UW
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# CITY OF CARDIFF COUNCIL
# CYNGOR DINAS CAERDYDD

## CABINET MEETING: 14 JULY 2016

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## CARDIFF STATUE AND MONUMENT PROTOCOL

## REPORT OF DIRECTOR OF CITY OPERATIONS

**AGENDA ITEM: 7**

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**PORTFOLIO: TRANSPORT, PLANNING & SUSTAINABILITY (COUNCILLOR RAMESH PATEL)**

### Reason for this Report

1. This report seeks that Cabinet approve the 'Cardiff Statue and Monument Protocol' as a guidance note for external groups, individuals and organisations, which explains the issues and procedures involved in assessing proposals to install statues and monuments in Cardiff.

### Background

2. Cardiff contains over 200 public artworks that make a significant contribution to the architectural and cultural heritage of the city.

3. The Council regularly receives enquiries from people and organisations seeking to commemorate individuals, groups and historical events in Cardiff. Regrettably, it is not possible to accommodate all of these requests and proposals need to be considered with regard to the following issues:

   - That suitable sites within Cardiff are extremely limited and individual proposals need to be carefully assessed with regard to the character, setting and existing / future operational requirements of potential locations.

   - That whilst the Council is keen to encourage examples of high quality and appropriately sited public art, it needs to ensure that the public realm does not become cluttered with artworks that have limited direct association with the city.

4. Guidance relating to Public Art is currently provided through the Cardiff Public Art Strategy (2005) and the Cardiff Public Art SPG (Supplementary Planning Guidance / 2006). It is recognised however that there is a need for additional guidance to be provided (through the Cardiff Statue and Monument Protocol), in order to identify the issues that need to be taken into consideration by groups and individuals who may be considering proposals in Cardiff and to assist Council Officers and

Elected Members in determining the suitability and acceptability of such proposals.

5. Previous experience has shown that implementing a project, including securing agreement to progress a proposal, finding an appropriate site, developing an acceptable design and securing the necessary finance can involve complex and lengthy negotiations. Additionally, supplementary issues such as installation, landscaping and future maintenance costs can lead to the total budget required for a project being significantly greater than that of commissioning the artwork itself. An aim of the protocol is to identify these issues from the outset, so that groups and individuals can be clear of their obligations and the likely timescales involved.

6. Whilst much of the guidance in the protocol relates to statues and monuments, it may also be applicable to proposals for sculptures and other forms of artwork within the public realm.

**Issues**

7. The Statue and Monument Protocol will provide guidance on a series of issues, including:

Determining the initial suitability and acceptability of proposals

8. Whilst it is recognised that each proposal submitted to the Council will have a high degree of significance to the groups and individuals involved, there is a need to ensure that artworks relate to Cardiff and are suitable to be located within specific sites, in order to ensure that the public realm does not become cluttered with commissions that have limited direct association with the city.

9. The Council normally requires statues and monuments to have a historical link with their proposed location. Proposals will have to be recognised as being of a high standard / quality and the Council will want to ensure that the form and setting of the artwork will enhance the character and appearance of the city.

10. As part of the Statue and Monument Protocol, it is proposed to establish an Advisory Panel led by an independent expert but including officers from relevant Council service areas (including Planning, Highways, Parks, Cardiff Harbour Authority, Bereavement Services and Culture, Tourism & Events). This expert would consider all relevant issues of suitability, quality, deliverability and long-term maintenance of proposals and produce an assessment report. The following decision making process is proposed*:

    a) Proposals submitted to the Council's public art mailbox at publicart@cardiff.gov.uk, together with payment of associated fee – to fund scheme assessment.

b) Proposal considered by the Public Art Advisory Panel led by the Independent Expert who produces a report on recommendation.

c) Recommended decision to support or decline artwork proposal reported to associated Cabinet Member.

d) Applicant informed of decision to support or decline artwork proposal.

11. The above advice would be provided without prejudice to any future permissions / consents. Notification of the initial acceptability of a proposal would not allow work to commence on a project and the commissioner would then need to proceed to securing all relevant permissions / consents that would be required (e.g. planning permission).

Suitable Sites

12. Statue and Monument proposals within Cardiff have tended to focus on locations within the city centre and Cardiff Bay, however suitable sites are extremely limited. A survey has been undertaken of existing artworks within these areas (refer to Appendix 1 / Map 1) and a buffer zone has been applied to each piece to help ensure that areas do not become 'cluttered' with new commissions. Any proposals within these areas are unlikely to be supported and consideration should be given as to whether a proposal could be more appropriately commemorated in another part of Cardiff, or in an alternative way.

13. The presumption would be that proposals for statues and monuments outside City Hall in the Civic Centre and the Senedd in Cardiff Bay will not be supported.

14. In addition to the character and setting of a location, consideration also needs to be given to the existing and future operational requirements of an area, including access routes for service / delivery vehicles and the use of public spaces for temporary / seasonal events, which may render potential locations unviable.

15. Not all areas of the pedestrian environment are owned by the Council and before a site is selected, commissioners should make all relevant enquiries to determine whether an artwork could be situated at the location proposed.

Project Funding and Management / Maintenance Responsibilities

16. In addition to commissioning an artwork, the installation of a statue or monument includes a number of additional costs, such as undertaking landscaping works, appointing contractors and the future management / maintenance of the piece. As part of a proposal, commissioners will need to ensure and will be expected to demonstrate that they can fund all costs associated with their project.

17. Commissioners of sculptures / monuments will be expected to own, insure and maintain the piece in perpetuity and will be required to enter into a legal agreement with the Council in respect of these issues prior to the commencement of development.

18. In circumstances where the Council agrees to maintain an artwork, the commissioner will be required to provide a commuted maintenance sum to cover the associated costs prior to the commencement of development. The value of a commuted sum will vary depending on the specific design (size / use of materials) and location of the sculpture / monument. As an indication, the minimum cost for a simple bronze life-size figure located at street level (i.e. no plinth) would be in the region of £12,500 (excluding VAT).

Decommissioning / Relocation / Floral Tributes

19. The Council reserves the right to relocate or decommission statues / monuments where the need arises. This would be undertaken in consultation with the commissioner of the piece.

20. If the original commissioner sought to remove a statue or monument, they would be expected to pay all reasonable costs associated with the removal of the piece and the restoration of the land to its original condition.

21. To assist with management / street cleansing, decorations and floral tributes are not permitted on statues and monuments, except for on event days / ceremonies that have been agreed in writing with the Council prior to the event.

Timescales

22. As identified above, previous experience has shown that it can take over a year to develop an idea to a stage where it is appropriate to apply for planning permission and other relevant consents. As such, commissioners should allow a realistic timescale for both a decision from the Council as to whether a proposal would be supported and for the subsequent implementation of a project, particularly in circumstances where a proposed statue or monument is linked to a particular anniversary or event.

**Local Member consultation**

23. The protocol is a citywide guidance note. Local Member consultation would be undertaken on relevant future projects.

**Reasons for Recommendations**

24. To provide a guidance note for external groups, individuals and organisations that explains the procedures and issues involved in assessing proposals to install statues and monuments in Cardiff.

25. To define a decision making process for determining the initial acceptability and suitability of statue and monument proposals.

**Financial Implications**

26. No financial implications are expected to arise from the implementation of this Policy as applicants will be responsible for either the cost of commissioning and maintaining the artwork themselves or by paying the Council an appropriate Commuted Maintenance sum. Given the long term nature of statues and monuments the Public Arts Working Group will need to ensure that they are content with the ability of the applicants to discharge these long term maintenance obligations.

**Legal Implications**

27. There are no direct legal implications arising from this report.

**RECOMMENDATIONS**

Cabinet is recommended to:

1. Note the content of the report.

2. Approve the Cardiff Statue and Monument Protocol as a guidance note for assessing proposals to install statues and monuments in Cardiff.

3. Agree the decision making process for determining the initial acceptability and suitability of proposals for statues and monuments.

**ANDREW GREGORY**
Director
8 July 2016

*The following appendix is attached:*

Appendix 1: Cardiff Statue and Monument Protocol (July 2016)

*The following background papers have been taken into account:*

- Cardiff Public Art Strategy (2005)

- Cardiff Public Art Supplementary Planning Guidance (2006)

# Cardiff Statue and Monument Protocol

July 2016

No Status Internal Draft



CARDIFF
CAERDYDD

Cover Photo:

- Statue of Ivor Novello, Roald Dahl Plass, 2009, Peter Nicholas. (All images © Cardiff Council)

## 1. Introduction:

1.1. The aim of this Protocol is to explain the Council's procedure for assessing proposals to install statues and monuments in Cardiff.

1.2. The Council is keen to encourage examples of high quality and appropriately sited public art, but needs to ensure that the public realm does not become cluttered with artworks that have limited direct association with the city.

1.3. The Protocol identifies that a proposal to erect a statue or monument will involve supplementary issues (such as installation and maintenance) that can lead to the total cost of a project being significantly greater than that of commissioning the artwork itself and which will need to be considered fully from the outset of a project. It also provides guidance on the timescales that should be allowed for obtaining planning permission and other necessary consents.

## 2. Background:

2.1. Cardiff contains over 200 public artworks that make a significant contribution to the architectural and cultural heritage of the city.

2.2. The Council regularly receives enquiries from people and organisations seeking to commemorate individuals, groups and historical events in Cardiff. Regrettably, it is not possible to accommodate all of these requests and proposals need to be considered with regard to the following issues:

- That suitable sites within Cardiff are extremely limited and individual proposals need to be carefully assessed with regard to the character, setting and existing / future operational requirements of potential locations.

- That whilst the Council is keen to encourage examples of high quality and appropriately sited public art, it needs to ensure that the public realm does not become cluttered with artworks that have limited direct association with the city.

2.3. Previous experience has shown that implementing a project, including securing agreement to progress a proposal, finding an appropriate site, developing an acceptable design and securing the necessary finance can involve complex and lengthy negotiations. Additionally, supplementary issues such as installation, landscaping and future maintenance costs can lead to the total budget required for a project being significantly greater than that of commissioning the artwork itself. An aim of this protocol is to identify these issues from the outset, so that groups and individuals can be clear of their obligations and the likely timescales involved.

## 3. Determining the suitability of proposals

3.1. Whilst it is recognised that each proposal submitted to the Council will have a high degree of significance to the groups and individuals involved, there is a need to ensure that artworks relate to Cardiff and are suitable to be located within specific sites, in order to ensure that the public realm does not become cluttered with commissions that have limited direct association with the city.

3.2. The Council normally requires statues and monuments to have a historical link with their proposed location. Proposals will have to be recognised as being of a high standard / quality and the Council will want to ensure that the form and setting of the artwork will enhance the character and appearance of the city.

## 4. Policy

4.1. Proposals for statues and monuments are considered in the context of Policy KP5 (Good Quality and Sustainable Design) of the Cardiff Local Development Plan 2006-2026. Further guidance is provided in the Cardiff Public Art Strategy (2005) and the Cardiff Public Art SPG (Supplementary Planning Guidance / 2006), which can be viewed / downloaded from www.cardiff.gov.uk/citydesign.

## 5. Suitable Sites

5.1. Statue and Monument proposals within Cardiff have tended to focus on locations within the city centre and Cardiff Bay, however suitable sites are extremely limited. A survey has been undertaken of existing artworks within these areas (refer Map 1) and a buffer zone has been applied to each piece to help ensure that areas do not become 'cluttered' with new commissions. Any proposals within these areas are unlikely to be supported and consideration should be given as to whether a proposal could be more appropriately commemorated in another part of Cardiff, or in an alternative way. Proposals for statues and monuments outside City Hall in the Civic Centre and the Senedd in Cardiff Bay will not be supported.

5.2. In addition to the character and setting of a location, consideration also needs to be given to the existing and future operational requirements of an area, including access routes for service / delivery vehicles and the use of public spaces for temporary / seasonal events, which may render potential locations unviable.

5.3. Not all areas of the pedestrian environment are owned by the Council and before a site is selected, commissioners should make all relevant enquiries to determine whether an artwork could be situated at the location proposed.

## 6. Project Funding and Management / Maintenance Responsibilities

6.1. The Council will want to ensure that you can fund the entire project costs and that you will make provision for the artwork and any associated landscaping to be maintained in perpetuity and to a specification agreed by the Council.

6.2. The costs of installation and landscaping works can be high, particularly where alterations to hard landscaping are required. Any works to the highway will need to be carried out by a company or individual with street works accreditation and will need to meet the Council's Highways Specifications.

6.3. It is expected that the sculpture / monument will be owned, insured and maintained in perpetuity by the commissioner and you will be required to enter into a legal agreement with the Council in respect of these issues prior to the commencement of development.

6.4. In circumstances where the Council agrees to maintain an artwork, the commissioner will be required to provide a commuted maintenance sum to cover the associated costs prior to the commencement of development. The value of a commuted sum will vary depending on the specific design (size / use of materials) and location of the sculpture / monument. As an indication, the minimum cost for a simple bronze life-size figure located at street level (i.e. no plinth) would be in the region of £12,500 (excluding VAT). Confirmation that the Council agrees to adopt an artwork would need to be agreed in writing prior to applying for planning permission and you will need to confirm your commitment to meeting these costs at the time you apply for Planning Permission.

## 7. Timescales:

7.1. You should contact the Council for advice at an early stage to ascertain if your proposal is likely to be supported (refer to paragraph 8) and certainly before commissioning an artist or sculptor to work up a design for a site.

7.2. Agreement to a particular project, finding an appropriate site, developing an acceptable design and securing the necessary finance can involve complex and lengthy negotiations, consultation and fundraising. It is therefore important that you allow a realistic timescale for your project, particularly where a proposed statue or monument is linked to a particular anniversary or event.

7.3. Previous experience has shown that you should normally allow a minimum period of a year to develop an idea to a stage where it is appropriate to apply for planning permission and other relevant consents.

## 8. Submitting a Draft Proposal*

8.1. Draft proposals for statues or monuments that have taken on-board the content of this protocol and are considered to meet the identified criteria should be sent to the Council's public art mailbox at publicart@cardiff.gov.uk.

8.2. Submissions should contain the following information:

- Details of the statue / monument proposed and how it relates to Cardiff,
- Initial views on scale / design / use of materials,
- Initial thoughts on potential / preferred locations,
- Details of how the artwork will be funded,
- Details regarding management, maintenance and associated funding,
- Payment of associated fee.

8.3. Following receipt, the proposal will be considered by the Council's Public Art Advisory Panel. The applicant will then be informed of the decision to support or decline the artwork proposal.

8.4. Applicants should allow a period of around 8 weeks between the submission of a proposal and a subsequent decision. In circumstances where a proposal is supported, the commissioner would be provided with details of a contact officer within the Council and a meeting would be arranged to discuss the way forward.

8.5. *The above advice would be provided without prejudice to any future permissions / consents. Notification of the initial acceptability of a proposal would not allow work to commence on a project and the commissioner would then need to proceed to securing all relevant permissions / consents that would be required (e.g. planning permission).

## 9. Planning Permission and other Consents:

9.1. Planning permission will normally be required to erect a statue or monument; in addition, if the proposal involves any work to a listed building, then listed building consent will also be required. In most cases, consent under other legislation will also be necessary, for example under the Highways Act 1980.

9.2. Once the commissioner has received confirmation that a proposed statue / monument is considered acceptable (in principle) and the form, location and future maintenance of the artwork has been established, your formal application(s) for permission can be made. This should be supported by:

A. Application form(s) and fee
B. Site location plan (1:1250)
C. Site plan (min 1:200) showing the proposal in relation to adjacent buildings and kerb lines etc
D. Scaled elevations and sections of the artwork and, if applicable, its base or plinth (min 1:50)
E. Photographic montage showing the proposal in its context
F. Written statement giving details of historical or other particular connection between the site and the subject.
G. Schedule of the proposed works and materials and written explanation of why the concept has been realised in the particular form proposed.
H. Details of any inscription(s).
I. Details of any associated landscaping works, including works to the highway and confirmation that you will meet these costs.
J. A statement setting out the proposed arrangements (and budgets) for maintenance of the artwork and associated landscaping in perpetuity.
K. Confirmation that, where applicable, you are willing to enter into a legal agreement(s) with the council in respect of landscaping, works to the highway and maintenance.

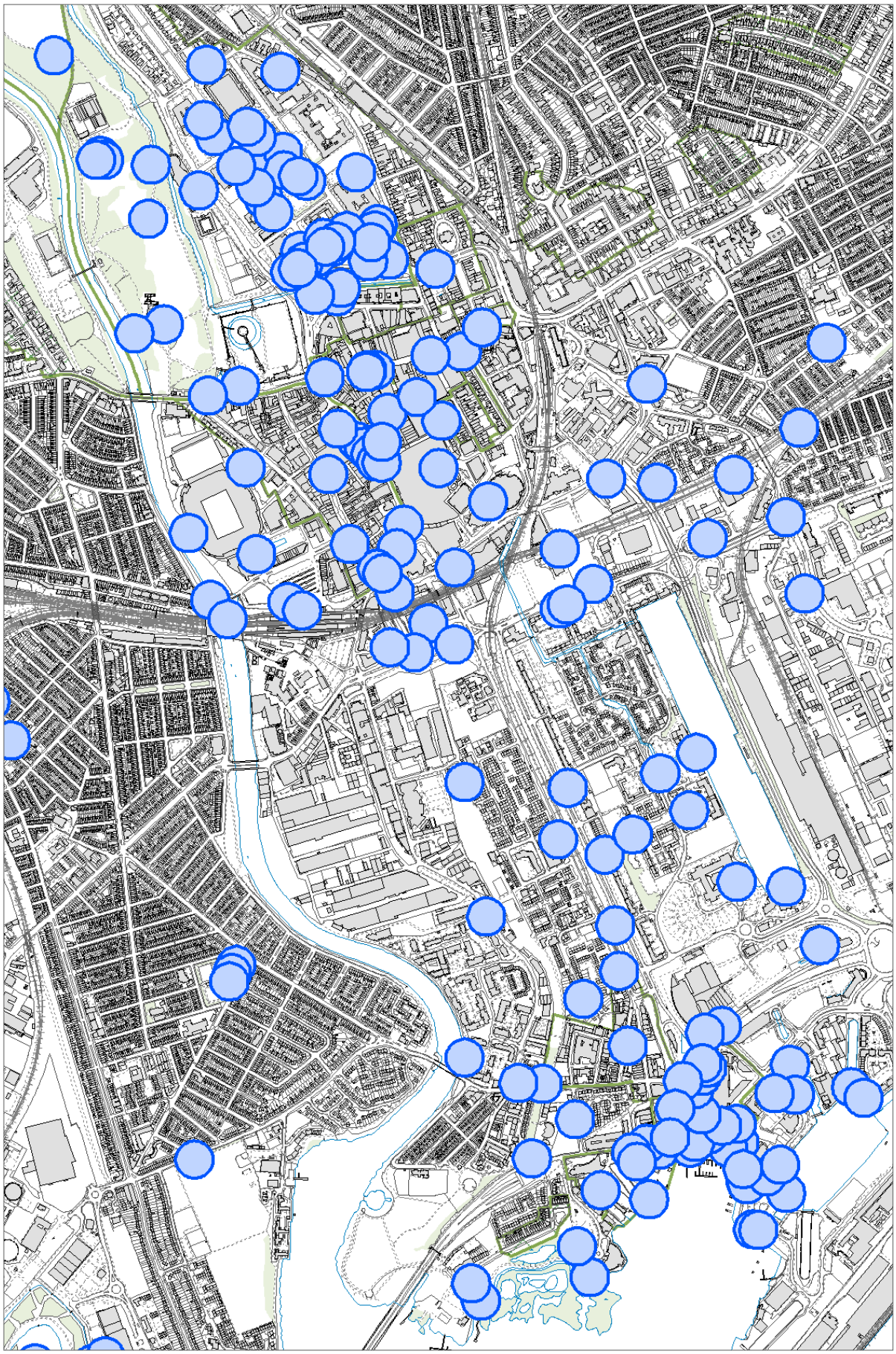
9.3. Planning applications are advertised onsite and in the press. In addition, they are also subject to consultation with other interested parties including neighbours and external consultees as appropriate. Further discussions and refinement of your proposal may be necessary in light of these consultations.

## 10. Decommissioning / Relocation / Floral Tributes

10.1. The Council reserves the right to relocate or decommission statues / monuments where the need arises. This would be undertaken in consultation with the commissioner of the piece.

10.2. If the original commissioner seeks to remove a statue or monument, they will be expected to pay all reasonable costs associated with the removal of the piece and the restoration of the land to its original condition.

10.3. To assist with management / street cleansing, decorations and floral tributes are not permitted on statues and monuments, expect for on event days / ceremonies that have been agreed in writing with the Council prior to the event.



Map 1: City Centre and Cardiff Bay Public Art Buffer Zones.

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